

Legislative Update – What You Need to Be Aware of

November 14, 2023

During the 2023-2024 North Carolina General Assembly session, which convened in January 2023 and is set to conclude in December 2024, a number of bills were introduced that could greatly affect landlords if passed. In the May newsletter, I discussed House Bill 551 and what its passage could mean for both landlords and renters. In this edition, I will give a brief overview of some of those bills that, if passed, could possibly negatively affect landlords, provide greater clarity regarding existing laws, or reinforce already existing laws. First up is Senate Bill 724.

Senate Bill 724. Hotel Safety Issues Related Matters – would help enforce Senate Bill 53 (Hotel Safety Issues), which became law on March 19, 2023. Senate Bill 53 defined transient occupancies as “the rental of an accommodation by an inn, hotel, motel, recreational vehicle park, campground, or similar lodging to the same guest or occupant for fewer than 90 consecutive days.” Senate Bill 724 further addresses transient occupancies by requiring guests to vacate after 90 consecutive days, permitting innkeepers to contact law enforcement to have guests removed, and making it clear that transient occupancies are governed by NCGS Chapter 72 and not 42. Additionally, the bill also permits innkeepers and guests to enter a lease agreement after the 90-day period. Any such agreement will be governed by NCGS Chapter 42. This bill has not yet become law and could possibly not be picked back up during this legislative session. What does that mean for Senate Bill 53 and innkeepers? Will issues arise with enforcing Senate Bill 53?

Senate Bill 667. Regulation of Short-Term Rentals – primarily prohibits cities and counties from adopting ordinances, rules or regulations that prohibit the use of residential properties and accessory dwellings as short-term rentals. In the last couple of years, we have seen a drastic increase in the use of short-term rental sites such as Airbnb.com and VRBO.com. Could this be the reason for the introduction of this bill?

Senate Bill 633. Mobile Home Park Act – outlines more stringent requirements for mobile home parks. As of right now, mobile home parks are governed by NCGS Chapter 42, just like all other residential rental properties. Passage of this act could possibly make being a mobile home park owner a little more difficult as it includes a number of additional requirements for mobile home parks.

House Bill 595. Rental Inspections – prohibits local government from adopting and enforcing ordinances that would require any owner or manager of real property to obtain any permit or permission under Article 11 or Article 12 of NCGS Chapter 160D from the local government to lease or rent residential property or to register rental property with the local government except in limited cases.

Senate Bill 553. Landlord-Tenant and HOA Changes – amends NCGS 42-14.1 bar on local rent control regulations and NCGS 42-46 to state that a late fee can only be charged if a rental payment is five or more calendar days late, the first day being the day after the rent was due.

Senate Bill 244. Housing Extension – modifies NCGS 42-14 and will require landlords to give 60 days' notice if they intend to terminate the tenancy regardless of the length of the term (i.e., week to week, month to month, etc.) unless the lease provides otherwise. This bill would also require landlords to give tenants 60 days' notice of any rent increase.

House Bill 208. Low-Income Housing Tax Credit – reenacts Article 3E, Low-Income Housing Tax Credits of NCGS Chapter 105, as it existed immediately before it was repealed in 2015.

All these bills are at various stages, some still in the House having passed the 1st reading, others have been referred to the Committee on Rules and Operations in the Senate. All of the bills have seen little to no activity since April and May. The General Assembly (House and Senate) are set to convene on Wednesday, November 29, 2023. What bills do you believe will pass? What bill's passage do you believe would be most beneficial?