



North Carolina 2021-2022 End of Session Report

The North Carolina General Assembly had a busy year, and CAI North Carolina Legislative Action Committee remained engaged with lawmakers throughout the year, representing your voices as homeowners, community leaders, managers, and business partners. Several bills were discussed during the 2021-2022 legislative session by the General Assembly that impact community associations, either directly or indirectly:

HB 320 Modernize Remote Business Access: This bill authorizes nonprofit corporations (as defined in the North Carolina Nonprofit Corporation Act) to hold meetings remotely and conduct votes via electronic means, as well as proxy voting via electronic means. It also allows for boards to share member rosters via secure electronic mediums, and create reasonable rules to govern electronic meetings, as well as reasonably restrict access to ensure that only members are able to participate.

Status: Signed into law by Governor Cooper. Effective immediately.

SB 336 Condo Act/Restitut'n/Market.Title Act Changes: This bill brings much-needed clarifications to North Carolina's Marketable Title Act. The bill specifies that the Marketable Title Act does not apply to condos created under either the North Carolina Condominium Act or the Unit Ownership Act, as well as cooperatives as defined in the Planned Community Act, and residential planned communities which fall under any provisions of the Planned Community Act. Additionally, any community which did not see an active association prior to 1999 (but did have documents providing for one) is included in the exemption, unless the association is made active as of July 1, 2022.

Status: Signed into law by Governor Cooper. Effective July 1, 2022.

SB 278 Prop./Fam. Law-Reimburse Prop. Expenditures: This bill states that a declaration may not be recorded unless all structural components and mechanical systems of all buildings containing or comprising any units thereby created are substantially completed in accordance with the building design plans. Additionally, the bill amends the North Carolina Condominium Act to have it apply to condos created on or before October 1, 1986, notwithstanding any conflicting provisions in the articles of incorporation, the declaration, or the bylaws, and notwithstanding any references in those documents to the Unit Ownership Act. It also eliminates the provisions specifying that the sections listed do not invalidate existing provisions of the declarations, bylaws, or plats or plans of condominiums created on or before October 1, 1986.

Status: Signed into law by Governor Cooper. Effective July 1, 2022.



NORTH CAROLINA
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HB 826 HOA/Condo Crime & Fidelity Insurance Policies: This bill would have required condo boards to obtain and maintain a crime and fidelity insurance policy if the association has annual assessments for common expenses of at least \$25,000, or with \$25,000 or more of total funds invested or on deposit. The policy would need to provide coverage of 125%, plus 125% of the annual budget of the association, with a cap of \$1 million. Management agents or companies hired by the association, and is authorized to disburse funds, would have to be covered by the crime and fidelity insurance policy. Additionally, this bill would have set audit requirements for condo associations with total account balances of \$150,000 or more.

Status: Died in House.

Your Assistance is Needed

To help fund CAI advocacy activities in 2023 and beyond, donations are vital to our continued successes. We encourage donations from North Carolina community associations and individuals. Please visit www.caionline.org/lacdonate/ and donate to CAI's North Carolina Legislative Action Committee to support our continued efforts.

We need YOUR voice! [Sign up today](#) to become a CAI Advocacy Ambassador, and help shape legislation in your state!

North Carolina Contact Information

- Visit <https://www.caionline.org/Advocacy/LAC/NC/Pages/default.aspx>
- Contact CAI's Government and Public Affairs Team at government@caionline.org
- To find the chapter nearest you, please call (888) 224-4321.