

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 683
Commerce Committee Substitute Adopted 6/8/11
Finance Committee Substitute Adopted 6/9/11
House Committee Substitute Favorable 6/15/11

Short Title: Residential Building Inspections.

(Public)

Sponsors:

Referred to:

April 20, 2011

A BILL TO BE ENTITLED

AN ACT REQUIRING COUNTIES AND CITIES TO HAVE REASONABLE CAUSE
BEFORE INSPECTING RESIDENTIAL BUILDINGS OR STRUCTURES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-364 reads as rewritten:

"§ 153A-364. Periodic inspections for hazardous or unlawful conditions.

(a) The inspection department ~~shall~~may make periodic inspections, subject to the board of commissioners' directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in buildings or structures within its territorial jurisdiction. Except as provided in subsection (b) of this section, the inspection department may make periodic inspections only when there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure. For purposes of this section, the term 'reasonable cause' means any of the following: (i) the landlord or owner has a history of more than two verified violations of the housing ordinances or codes within a 12-month period; (ii) there has been a complaint that substandard conditions exist within the building or there has been a request that the building be inspected; (iii) the inspection department has actual knowledge of an unsafe condition within the building; or (iv) violations of the local ordinances or codes are visible from the outside of the property. In conducting inspections authorized under this section, the inspection department shall not discriminate between single-family and multifamily buildings. In addition, it shall make any necessary inspections when it has reason to believe that such conditions may exist in a particular building. In exercising these powers, each member of the inspection department has a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action. Nothing in this section shall be construed to prohibit periodic inspections in accordance with State fire prevention code or as otherwise required by State law.

(b) A county may require periodic inspections as part of a targeted effort within a geographic area that has been designated by the county commissioners. The county shall not discriminate in its selection of areas or housing types to be targeted and shall (i) provide notice to all owners and residents of properties in the affected area about the periodic inspections plan and information regarding a public hearing regarding the plan; (ii) hold a public hearing regarding the plan; and (iii) establish a plan to address the ability of low-income residential property owners to comply with minimum housing code standards.



1 (c) In no event may a county do any of the following: (i) adopt or enforce any
2 ordinance that would require any owner or manager of rental property to obtain any permit or
3 permission from the county to lease or rent residential real property, except for those rental
4 units that have more than three verified violations of housing ordinances or codes in a
5 12-month period; (ii) require that an owner or manager of residential rental property enroll or
6 participate in any governmental program as a condition of obtaining a certificate of occupancy;
7 or (iii) except as provided in subsection (d) of this section, levy a special fee or tax on
8 residential rental property that is not also levied against other commercial and residential
9 properties.

10 (d) A county may levy a fee for residential rental property registration under subsection
11 (c) of this section for those rental units which have been found with more than two verified
12 violations of housing ordinances or codes within the previous 12 months. The fee shall be an
13 amount that covers the cost of operating a residential registration program and shall not be used
14 to supplant revenue in other areas. Counties using registration programs that charge registration
15 fees for all residential rental properties as of June 1, 2011, may continue levying a fee on all
16 residential rental properties as follows:

- 17 (1) For properties with 20 or more residential rental units, the fee shall be no
18 more than fifty dollars (\$50.00) per year.
19 (2) For properties with fewer than 20 but more than three residential rental units,
20 the fee shall be no more than twenty-five dollars (\$25.00) per year.
21 (3) For properties with three or fewer residential rental units, the fee shall be no
22 more than fifteen dollars (\$15.00) per year."

23 **SECTION 2.** G.S. 160A-424 reads as rewritten:

24 **"§ 160A-424. Periodic inspections.**

25 (a) The inspection department ~~shall~~ may make periodic inspections, subject to the
26 council's directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in
27 buildings or structures within its territorial jurisdiction. Except as provided in subsection (b) of
28 this section, the inspection department may make periodic inspections only when there is
29 reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful
30 conditions may exist in a residential building or structure. For purposes of this section, the term
31 'reasonable cause' means any of the following: (i) the landlord or owner has a history of more
32 than two verified violations of the housing ordinances or codes within a 12-month period; (ii)
33 there has been a complaint that substandard conditions exist within the building or there has
34 been a request that the building be inspected; (iii) the inspection department has actual
35 knowledge of an unsafe condition within the building; or (iv) violations of the local ordinances
36 or codes are visible from the outside of the property. In conducting inspections authorized
37 under this section, the inspection department shall not discriminate between single-family and
38 multifamily buildings. ~~In addition, it shall make inspections when it has reason to believe that~~
39 ~~such conditions may exist in a particular structure.~~ In exercising this power, members of the
40 department shall have a right to enter on any premises within the jurisdiction of the department
41 at all reasonable hours for the purposes of inspection or other enforcement action, upon
42 presentation of proper credentials. Nothing in this section shall be construed to prohibit
43 periodic inspections in accordance with State fire prevention code or as otherwise required by
44 State law.

45 (b) A city may require periodic inspections as part of a targeted effort within a
46 geographic area that has been designated by the city council. The municipality shall not
47 discriminate in its selection or areas or properties to be targeted and shall (i) provide notice to
48 all owners and residents of properties in the affected area about the periodic inspections plan
49 and information regarding a public hearing regarding the plan; (ii) hold a public hearing
50 regarding the plan; and (iii) establish a plan to address the ability of low-income residential
51 property owners to comply with minimum housing code standards.

1 (c) In no event may a city do any of the following: (i) adopt or enforce any ordinance
2 that would require any owner or manager of rental property to obtain any permit or permission
3 from the city to lease or rent residential real property, except for those properties that have
4 more than three verified violations in a 12-month period; (ii) require that an owner or manager
5 of residential rental property enroll or participate in any governmental program as a condition
6 of obtaining a certificate of occupancy; or (iii) except as provided in subsection (d) of this
7 section, levy a special fee or tax on residential rental property that is not also levied against
8 other commercial and residential properties.

9 (d) A city may levy a fee for residential rental property registration under subsection (c)
10 of this section for those properties which have been found with more than two verified
11 violations of local ordinances within the previous 12 months. The fee shall be an amount that
12 covers the cost of operating a residential registration program and shall not be used to supplant
13 revenue in other areas. Cities using registration programs that charge registration fees for all
14 residential rental properties as of June 1, 2011, may continue levying a fee on all residential
15 rental properties as follows:

16 (1) For properties with 20 or more residential rental units, the fee shall be no
17 more than fifty dollars (\$50.00) per year.

18 (2) For properties with fewer than 20 but more than three residential rental units,
19 the fee shall be no more than twenty-five dollars (\$25.00) per year.

20 (3) For properties with three or fewer residential rental units, the fee shall be no
21 more than fifteen dollars (\$15.00) per year."

22 **SECTION 3.** G.S. 153A-360 reads as rewritten:

23 **"§ 153A-360. Inspections of work in progress.**

24 (a) As the work pursuant to a permit progresses, local inspectors shall make as many
25 inspections of the work as may be necessary to satisfy them that it is being done according to
26 the provisions of the applicable State and local laws and local ordinances and regulations and
27 of the terms of the permit. In exercising this power, each member of the inspection department
28 has a right, upon presentation of proper credentials, to enter on any premises within the
29 territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or
30 other enforcement action.

31 (b) In no event may a county require inspections of residential buildings or structures
32 that are additional to those required by the North Carolina Building Code without first
33 obtaining approval from the Council. The Council shall review all applications for inspections
34 greater than those required by the Code and shall, in a timely manner, approve or disapprove
35 the additional inspections, except that the county may require any additional inspection where
36 unforeseen or unique circumstances exist and require immediate action."

37 **SECTION 4.** G.S. 160A-420 reads as rewritten:

38 **"§ 160A-420. Inspections of work in progress.**

39 (a) As the work pursuant to a permit progresses, local inspectors shall make as many
40 inspections thereof as may be necessary to satisfy them that the work is being done according
41 to the provisions of any applicable State and local laws and of the terms of the permit. In
42 exercising this power, members of the inspection department shall have a right to enter on any
43 premises within the jurisdiction of the department at all reasonable hours for the purposes of
44 inspection or other enforcement action, upon presentation of proper credentials.

45 (b) In no event may a city require inspections of residential buildings or structures that
46 are additional to those required by the North Carolina Building Code without first obtaining
47 approval from the Council. The Council shall review all applications for inspections greater
48 than those required by the Code and shall, in a timely manner, approve or disapprove the
49 additional inspections, except that the city may require any additional inspection where
50 unforeseen or unique circumstances exist and require immediate action."

51 **SECTION 5.** This act is effective when it becomes law.