

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 622

Short Title: Cities/Periodic Building Inspections. (Public)

Sponsors: Representative Steinburg.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Regulatory Reform, if favorable, State and Local Government II

April 10, 2017

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE LAWS RELATED TO PERIODIC BUILDING INSPECTIONS
3 TO ACCOUNT FOR DIFFERENCES IN HOUSING ISSUES IN CITIES WITH A
4 POPULATION OF LESS THAN TWENTY-FIVE THOUSAND.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 160A-412 reads as rewritten:

7 "§ 160A-412. Duties and responsibilities.

8 ...

9 (b) Except as provided in ~~G.S. 160A-424~~, G.S. 160A-424 and G.S. 160A-424.1, a city
10 may not adopt a local ordinance or resolution or any other policy that requires regular, routine
11 inspections of buildings or structures constructed in compliance with the North Carolina
12 Residential Code for One- and Two-Family Dwellings in addition to the specific inspections
13 required by the North Carolina Building Code without first obtaining approval from the North
14 Carolina Building Code Council. The North Carolina Building Code Council shall review all
15 applications for additional inspections requested by a city and shall, in a reasonable manner,
16 approve or disapprove the additional inspections. This subsection does not limit the authority of
17 the city to require inspections upon unforeseen or unique circumstances that require immediate
18 action. In performing the specific inspections required by the North Carolina Building Code,
19 the inspector shall conduct all inspections requested by the permit holder for each scheduled
20 inspection visit. For each requested inspection, the inspector shall inform the permit holder of
21 instances in which the work inspected is incomplete or otherwise fails to meet the requirements
22 of the North Carolina Residential Code for One- and Two-Family Dwellings.

23"

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

25 "§ 160A-424. Periodic inspections for hazardous or unlawful conditions.

26 ...

27 (g) This section applies only to cities with a population of 25,000 or more."

28 SECTION 3. Article 19 of Chapter 160A of the General Statutes is amended by
29 adding a new section to read as follows:

30 "§ 160A-424.1. Periodic inspections for hazardous or unlawful conditions in certain
31 localities.

32 (a) The inspection department may make periodic inspections, subject to the council's
33 directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in buildings
34 or structures within its territorial jurisdiction. Except as provided in subsection (b) of this
35 section, the inspection department may make periodic inspections only when there is



1 reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful
2 conditions may exist in a residential building or structure. For purposes of this section, the term
3 "reasonable cause" means any of the following: (i) the landlord or owner has a history of more
4 than two verified violations of the housing ordinances or codes within a 12-month period, (ii)
5 there has been a complaint that substandard conditions exist within the building or there has
6 been a request that the building be inspected, (iii) the inspection department has actual
7 knowledge of an unsafe condition within the building, or (iv) violations of the local ordinances
8 or codes are visible from the outside of the property. In conducting inspections authorized
9 under this section, the inspection department shall not discriminate between single-family and
10 multifamily buildings. In exercising this power, members of the department shall have a right
11 to enter on any premises within the jurisdiction of the department at all reasonable hours for the
12 purposes of inspection or other enforcement action, upon presentation of proper credentials.
13 Nothing in this section shall be construed to prohibit periodic inspections in accordance with
14 State fire prevention code or as otherwise required by State law.

15 (b) A city may require periodic inspections as part of a targeted effort within a
16 geographic area that has been designated by the city council. The municipality shall not
17 discriminate in its selection of areas or housing types to be targeted and shall (i) provide notice
18 to all owners and residents of properties in the affected area about the periodic inspections plan
19 and information regarding a public hearing regarding the plan, (ii) hold a public hearing
20 regarding the plan, and (iii) establish a plan to address the ability of low-income residential
21 property owners to comply with minimum housing code standards. A residential building or
22 structure that is subject to periodic inspections by the North Carolina Housing Finance Agency
23 (hereinafter "Agency") shall not be subject to periodic inspections under this subsection if the
24 Agency has issued a finding that the building or structure is in compliance with federal
25 standards established by the United States Department of Housing and Urban Development to
26 assess the physical condition of residential property. The owner or manager of a residential
27 building or structure subject to periodic inspections by the Agency shall, within 10 days of
28 receipt, submit to the inspection department a copy of the Compliance Results Letter issued by
29 the Agency showing that the residential building or structure is in compliance with federal
30 housing inspection standards. If the owner or manager fails to submit a copy of the Compliance
31 Results Letter as provided in this subsection, the residential building or structure shall be
32 subject to periodic inspections as provided in this subsection until the Compliance Results
33 Letter is submitted to the inspection department.

34 (c) In no event may a city do any of the following: (i) adopt or enforce any ordinance
35 that would require any owner or manager of rental property to obtain any permit or permission
36 from the city to lease or rent residential real property, except for those properties that have
37 more than three verified violations in a 12-month period or upon the property being identified
38 within the top ten percent (10%) of properties with crime or disorder problems as set forth in a
39 local ordinance; (ii) require that an owner or manager of residential rental property enroll or
40 participate in any governmental program as a condition of obtaining a certificate of occupancy;
41 or (iii) except as provided in subsection (d) of this section, levy a special fee or tax on
42 residential rental property that is not also levied against other commercial and residential
43 properties.

44 (d) A city may levy a fee for residential rental property registration under subsection (c)
45 of this section for those rental units that have been found with more than two verified violations
46 of local ordinances within the previous 12 months or upon the property being identified within
47 the top ten percent (10%) of properties with crime or disorder problems as set forth in a local
48 ordinance. The fee shall be an amount that covers the cost of operating a residential registration
49 program and shall not be used to supplant revenue in other areas. Cities using registration
50 programs that charge registration fees for all residential rental properties as of June 1, 2011,
51 may continue levying a fee on all residential rental properties as follows:

- 1 (1) For properties with 20 or more residential rental units, the fee shall be no
- 2 more than fifty dollars (\$50.00) per year.
- 3 (2) For properties with fewer than 20 but more than three residential rental units,
- 4 the fee shall be no more than twenty-five dollars (\$25.00) per year.
- 5 (3) For properties with three or fewer residential rental units, the fee shall be no
- 6 more than fifteen dollars (\$15.00) per year.
- 7 (e) This section applies only to cities with a population of less than 25,000."
- 8 **SECTION 4.** This act is effective when it becomes law.