

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

H

1

HOUSE BILL 595

Short Title: Rental Inspections. (Public)

Sponsors: Representative Ward.

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

Referred to: Local Government, if favorable, Regulatory Reform, if favorable, Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

April 13, 2023

A BILL TO BE ENTITLED

AN ACT TO ENHANCE THE ABILITY OF A LOCAL GOVERNMENT TO ADDRESS  
HEALTH AND SAFETY CONCERNS IN CERTAIN RENTAL PROPERTIES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 160D-1207 reads as rewritten:

**"§ 160D-1207. Periodic inspections.**

(a) 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. However, when the inspection department determines that a safety hazard exists in one of the dwelling units within a multifamily building, which in the opinion of the inspector poses an immediate threat to the occupant, the inspection department may inspect, in the absence of a specific complaint and actual knowledge of the unsafe condition, additional dwelling units in the multifamily building to determine if that same safety hazard exists. 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 or between owner-occupied and tenant-occupied buildings. In exercising this power, members of the department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. 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 local government may require periodic inspections as part of a targeted effort to respond to blighted or potentially blighted conditions within a geographic area that has been designated by the governing board. However, the total aggregate of targeted areas in the local government jurisdiction at any one time shall not be greater than 1 square mile or five percent (5%) of the area within the local government jurisdiction, whichever is greater. A targeted area designated by the local government shall reflect the local government's stated neighborhood revitalization strategy and shall consist of property that meets the definition of a "blighted area"



1 or "blighted parcel" as those terms are defined in G.S. 160A-503(2) and G.S. 160A-503(2a),  
2 respectively, except that for purposes of this subsection, the planning board is not required to  
3 make a determination as to the property. The local government shall not discriminate in its  
4 selection of areas or housing types to be targeted and shall (i) provide notice to all owners and  
5 residents of properties in the affected area about the periodic inspections plan and information  
6 regarding a legislative hearing regarding the plan, (ii) hold a legislative hearing regarding the  
7 plan, and (iii) establish a plan to address the ability of low-income residential property owners to  
8 comply with minimum housing code standards.

9 (c) In no event may a local government do any of the following: (i) adopt or enforce any  
10 ordinance that would require any owner or manager of rental property to obtain any permit or  
11 permission under Article 11 or Article 12 of this Chapter from the local government to lease or  
12 rent residential real property or to register rental property with the local government, except for  
13 those individual properties that have more than ~~four~~ two verified violations in a rolling 12-month  
14 period or two or more verified violations in a rolling 30-day period, or upon the property being  
15 identified within the top ten percent (10%) of properties with crime or disorder problems as set  
16 forth in a local ordinance, (ii) require that an owner or manager of residential rental property  
17 enroll or participate in any governmental program as a condition of obtaining a certificate of  
18 occupancy, (iii) except as provided in subsection (f) of this section, levy a special fee or tax on  
19 residential rental property that is not also levied against other commercial and residential  
20 properties, unless expressly authorized by general law or applicable only to an individual rental  
21 unit or property described in clause (i) of this subsection and the fee does not exceed five hundred  
22 dollars (\$500.00) in any 12-month period in which the unit or property is found to have verified  
23 violations, (iv) provide that any violation of a rental registration ordinance is punishable as a  
24 criminal offense, or (v) require any owner or manager of rental property to submit to an  
25 inspection before receiving any utility service provided by the local government. For purposes  
26 of this section, the term "verified violation" means all of the following:

- 27 (1) The aggregate of all violations of housing ordinances or codes found in an  
28 individual rental unit of residential real property during a 72-hour period.
- 29 (2) Any violations that have not been corrected by the owner or manager within  
30 21 days of receipt of written notice from the local government of the  
31 violations. Should the same violation occur more than two times in a 12-month  
32 period, the owner or manager may not have the option of correcting the  
33 violation. If the housing code provides that any form of prohibited tenant  
34 behavior constitutes a violation by the owner or manager of the rental  
35 property, it shall be deemed a correction of the tenant-related violation if the  
36 owner or manager, within 30 days of receipt of written notice of the  
37 tenant-related violation, brings a summary ejectment action to have the tenant  
38 evicted.

39 (d) If a property is identified by the local government as being in the top ten percent  
40 (10%) of properties with crime or disorder problems, the local government shall notify the  
41 landlord of any crimes, disorders, or other violations that will be counted against the property to  
42 allow the landlord an opportunity to attempt to correct the problems. In addition, the local  
43 government and the county sheriff's office or city's police department shall assist the landlord in  
44 addressing any criminal activity, which may include testifying in court in a summary ejectment  
45 action or other matter to aid in evicting a tenant who has been charged with a crime. If the local  
46 government or the county sheriff's office or city's police department does not cooperate in  
47 evicting a tenant, the tenant's behavior or activity at issue shall not be counted as a crime or  
48 disorder problem as set forth in the local ordinance, and the property may not be included in the  
49 top ten percent (10%) of properties as a result of that tenant's behavior or activity.

50 (e) If the local government takes action against an individual rental unit under this  
51 section, the owner of the individual rental unit may appeal the decision to the housing appeals

1 board or the zoning board of adjustment, if operating, or the planning board if created under  
2 G.S. 160D-301, or if neither is created, the governing board. The board shall fix a reasonable  
3 time for hearing appeals, shall give due notice to the owner of the individual rental unit, and shall  
4 render a decision within a reasonable time. The owner may appear in person or by agent or  
5 attorney. The board may reverse or affirm the action, wholly or partly, or may modify the action  
6 appealed from, and may make any decision and order that in the opinion of the board ought to be  
7 made in the matter.

8 (f) A local government may levy a fee for residential rental property registration for those  
9 rental units which have been found with more than two verified violations of housing ordinances  
10 or codes within the previous 12 months or upon the property being identified within the top ten  
11 percent (10%) of properties with crime or disorder problems as set forth in a local ordinance. The  
12 fee shall be an amount that covers the cost of operating a residential registration program and  
13 shall not be used to supplant revenue in other areas."

14 **SECTION 2.** This act is effective when it becomes law and applies to verified  
15 violations occurring on or after that date.