

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 511

Short Title: Credit Unions/Statutory Changes. (Public)

Sponsors: Representatives Ross, J. Bell, Bradford, and Glazier (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Banking.

April 2, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE VARIOUS STATUTORY CHANGES RELATED TO CREDIT
UNIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 47C-4-110(a) reads as rewritten:

"§ 47C-4-110. Escrow of deposits.

(a) Any deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to G.S. 47C-4-102(c) shall be immediately deposited in a trust or escrow account in ~~an insured bank or savings and loan association in North Carolina~~ a federally insured depository institution lawfully doing business in this State and shall remain in such account for such period of time as a purchaser is entitled to cancel pursuant to G.S. 47C-4-108 or cancellation by the purchaser thereunder whichever occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the seller."

SECTION 2. G.S. 42-50 reads as rewritten:

"§ 42-50. Deposits from the tenant.

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and ~~insured bank or savings institution located in the State of North Carolina~~ federally insured depository institution lawfully doing business in this State or the landlord may, at his option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of said deposits. The landlord or his agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where his deposit is currently located or the name of the insurance company providing the bond."

SECTION 3. G.S. 42A-15 reads as rewritten:

"§ 42A-15. Trust account uses.

A landlord or real estate broker may require a tenant to pay all or part of any required rent, security deposit, or other fees permitted by law in advance of the commencement of a tenancy under this Chapter if these payments are expressly authorized in the vacation rental agreement. If the tenant is required to make any advance payments, other than a security deposit, whether the payment is denominated as rent or otherwise, the landlord or real estate broker shall deposit these payments in a trust account in ~~an insured bank or savings and loan association in North Carolina~~ a federally insured depository institution lawfully doing business in this State no later than three banking days after the receipt of these payments. These payments deposited in a trust



1 account shall not earn interest unless the landlord and tenant agree in the vacation rental
2 agreement that the payments may be deposited in an interest-bearing account. The landlord and
3 tenant shall also provide in the agreement to whom the accrued interest shall be disbursed."

4 **SECTION 4.** G.S. 54-109.82 reads as rewritten:

5 **"§ 54-109.82. Investment of funds.**

6 The capital, deposits, undivided profits and reserve fund of the corporation may be invested
7 only in any of the following ways:

8 ...
9 (13) In higher education bonds permissible under G.S. 116D-2, provided that
10 such bonds pledge the faith, credit, and taxing power of the State for the
11 payment of the principal of and interest on bonds and notes."

12 **SECTION 5.** G.S. 54-109.38 reads as rewritten:

13 **"§ 54-109.38. Compensation of officials.**

14 No member of the board of directors or of the credit committee or supervisory committee
15 shall be compensated for his service in this position, but providing reasonable life, health,
16 accident and similar insurance protection for a director or committee member shall not be
17 considered compensation. Directors and committee members, while on official business of the
18 credit union, may be reimbursed for necessary and reasonable expenses incidental to the
19 performance of the business. Such reimbursement may include the payment of expenses for one
20 guest."

21 **SECTION 6.** This act is effective when it becomes law.