

March 19, 2009

**H 714. SURETY BOND FOR NEIGHBORHOOD ROADS.** Filed 3/19/09. *TO REQUIRE NEIGHBORHOOD DEVELOPERS AND SELLERS TO OBTAIN A SURETY BOND IN FAVOR OF THE NEIGHBORHOOD HOMEOWNERS TO COVER THE FIRST TEN YEARS OF REPAIR TO A PRIVATE STREET.*

Amends GS 136-102.6(f) to (1) require the developer and seller of a piece of a subdivision to file a surety bond, in favor of the property owners served by a private street, with the clerk of superior court in the county in which the subdivision is located; (2) require the bond amount to be at least equal to the projected maintenance costs for the first 10 years of the private street's use; (3) require that the bond be secured by two or more sureties and remain in force for 10 years after the construction of the private street; and (4) if the liability of the surety is reduced through any action of the developer or the seller, to require the developer and seller to obtain a replacement bond. Makes conforming changes. Effective October 1, 2009.

**Intro. by Allen.**

GS 136