

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  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S683-PCS75186-RN-29

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



1 regarding the plan; and (iii) establish a plan to address the ability of low-income residential  
2 property owners to comply with minimum housing code standards.

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

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

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

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

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

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

26 **"§ 160A-424. Periodic inspections.**

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

47 (b) A city may require periodic inspections as part of a targeted effort within a  
48 geographic area that has been designated by the city council. The municipality shall not  
49 discriminate in its selection or areas or properties to be targeted and shall (i) provide notice to  
50 all owners and residents of properties in the affected area about the periodic inspections plan  
51 and information regarding a public hearing regarding the plan; (ii) hold a public hearing

1 regarding the plan; and (iii) establish a plan to address the ability of low-income residential  
2 property owners to comply with minimum housing code standards.

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

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

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

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

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

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

25 **"§ 153A-360. Inspections of work in progress.**

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

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

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

40 **"§ 160A-420. Inspections of work in progress.**

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

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

1 additional inspections, except that the city may require any additional inspection where  
2 unforeseen or unique circumstances exist and require immediate action."

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