

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30004-NO-7

Short Title: Fraud Detection Alert System. (Public)

Sponsors: Representative Kidwell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE REGISTER OF DEEDS TO PROVIDE ACCESS TO A FRAUD
3 DETECTION ALERT SYSTEM AND TO MODIFY PROVISIONS REGARDING
4 PROPERTY CRIMES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 2 of Chapter 161 of the General Statutes is amended by adding
7 a new section to read:

8 "**§ 161-32. Fraud detection alert system.**

9 (a) The following definitions apply in this section:

- 10 (1) Fraud detection alert system. – A system which sends automated recording
11 notifications.
12 (2) Land record. – A deed, deed of trust, mortgage, or other document purporting
13 to convey or encumber an interest in real property.
14 (3) Monitored identity. – A personal, trust, or business name submitted by a
15 registrant for monitoring under a fraud detection alert system.
16 (4) Recording notification. – A notification sent by electronic mail indicating to
17 a registrant that a land record associated with the registrant's monitored
18 identity has been recorded in the office of the register of deeds.
19 (5) Registrant. – A person who enrolls in a fraud detection alert system.

20 (b) The register of deeds shall ensure that registration for a fraud detection alert system
21 is possible through an electronic registration portal, which portal shall include at least all of the
22 following features:

- 23 (1) Be accessible through a direct link on the register of deeds' official public
24 website.
25 (2) Allow a registrant to subscribe to receive recording notifications for at least
26 five monitored identities per valid electronic mail address provided.
27 (3) Include a method by which a registrant may unsubscribe from the system.
28 (4) List a phone number at which the register of deeds office may be contacted
29 during normal business hours with questions related to the system.
30 (5) Send an automated electronic mail message to a registrant confirming the
31 registrant's successful registration for or action to unsubscribe from the
32 system, which message must identify each monitored identity for which a
33 subscription was received or canceled.

34 (c) When a land record is recorded for a monitored identity, a recording notification must
35 be sent within 24 hours after the recording has been completed to each registrant who is



1 subscribed to receive recording notifications for that monitored identity. Such notification must
2 contain at least the following:

3 (1) Information identifying the monitored identity for which the land record was
4 filed.

5 (2) The land record's recording date.

6 (3) The official record book and page number or instrument number assigned to
7 the land record by the register of deeds.

8 (4) Instructions for electronically searching for and viewing the land record using
9 the assigned official record book and page number or instrument number.

10 (5) A phone number at which the register of deeds office may be contacted during
11 normal business hours with questions related to the recording notification.

12 (d) There is no right or cause of action against, and no civil liability on the part of, the
13 register of deeds or the county with respect to the creation, maintenance, or operation of a fraud
14 detection alert system as required by this section.

15 (e) The register of deeds may charge a reasonable fee to a registrant for enrolling in the
16 fraud detection alert system in an amount that does not exceed the actual cost of maintaining and
17 allowing access to the system."

18 **SECTION 2.** G.S. 14-117.8 reads as rewritten:

19 **"§ 14-117.8. Fraudulently renting, leasing, or advertising for sale of residential real**
20 **property.**

21 (a) **Offense Involving Fraudulent Rental or Lease.** – It is unlawful to rent or lease
22 residential real property to another person knowing that the renter or lessor has no lawful
23 ownership in the property or leasehold interest in the property.

24 (b) **Offense Involving Fraudulent Advertising.** – It is unlawful to list or advertise
25 residential real property for sale knowing that the purported seller has no legal title or authority
26 to sell the property.

27 (c) **Punishment.** – Unless the conduct is covered under some other provision of law
28 providing greater punishment, a person who violates this section shall be punished as follows:

29 (1) A person who violates subsection (a) of this section is guilty of a Class H
30 felony.

31 (2) A person who violates subsection (b) of this section is guilty of a Class I
32 felony.

33 (d) In addition to any criminal penalties provided in this section, knowingly ~~renting or~~
34 ~~leasing~~ renting, leasing, listing, or advertising residential real property to another person knowing
35 that the ~~renter or lessor~~ renter, lessor, or the person soliciting the listing or advertisement has no
36 lawful ownership or leasehold interest in the property shall constitute a violation of G.S. 75-1.1.
37 In a civil suit initiated by a person who alleges that a person's violation of this section constitutes
38 a violation of G.S. 75-1.1, the presiding judge may allow a reasonable attorney fee in accordance
39 with G.S. 75-16.1 to the attorney representing the person bringing the suit without finding that
40 there was an unwarranted refusal by the party charged with the violation to fully resolve the
41 matter which constitutes the basis of the suit."

42 **SECTION 3.** Section 1 of this act becomes effective October 1, 2025, and applies to
43 land records recorded on or after that date. Section 2 of this act becomes effective October 1,
44 2025, and applies to causes of action arising on or after that date. The remainder of this act is
45 effective when it becomes law.