

### Committee Recommendations

1. Amend G.S. 47C-3-118 and G.S. 47F-3-118 to change current requirements governing an association's obligation to produce records for examination by its members to provide that:
  - An association must make records requested by a member reasonably available for inspection within 30 days after receiving the member's request.
  - An association is not obligated to produce financial records requested by a member that were created more than three years before the date of the member's request.
2. Amend G.S. 47C-3-103 and G.S.47F-3-103 to provide owners with more control over assessment increases by providing that:
  - Approval by a majority of all owners is required to ratify a proposed budget that would increase the amount of the previous year's assessments by more than 10% unless that increase is expressly authorized by the declaration.
  - After ratification of the annual budget, approval by a majority of all owners is required for the executive board to take any action that would increase the amount of the budgeted assessments by more than 5%.
3. Amend G.S. 47C-3-116 and G.S. 47F-3-116 to prohibit the use of nonjudicial foreclosure to enforce a lien for unpaid assessments unless all of the following conditions are met:
  - The amount of the lien is equal to or greater than six months of assessments or \$2,500, whichever is less.
  - The association offered the owner a reasonable opportunity to cure the default by making payments under an installment schedule.
  - The owner either did not accept the offered repayment plan or failed to make payments as required under the plan.
4. Amend G.S. 7A-38.3F to require mediation of a dispute between an association and its members before filing a civil action unless all parties to the dispute agree to waive this requirement.
5. Amend Chapter 114 (Department of Justice) of the General Statutes to require the Department of Justice to:
  - Provide information on the Department's website to educate associations and their members about their rights and obligations and to provide instructions for submitting complaints relating to disputes between associations and their members.
  - Receive complaints submitted from associations or their members and forward a copy of the complaint to the other parties to the dispute.
  - Collect specified information about the issues giving rise to the disputes as reflected in these complaints.
  - Submit an annual report to the House and Senate Commerce Committees and to the Fiscal Research Division summarizing information compiled from complaints received by the Department each year, and publish this report on the Department's website.