

NCMHA Legislative Update July 2017

The 2017 legislative session adjourned in the early morning hours on June 30th. Well, “kind of sort of”, the adjournment resolution calls them back in early August to consider bills that have been vetoed by the Governor and other bills that are in conference committee. It also calls them back in September to redraw the legislative and judicial districts. So much for a part-time legislature.

This “long session” has been primarily focused on the adoption of a two-year State Budget. The General Assembly passed a two-year budget that was first vetoed by the Governor then overridden by the Legislature. The 22.5 billion dollar budget included, pay raises for teachers and state employees, tax breaks, appropriations for new roads, hurricane aid money and community development. In addition to the budget, another focus this year was the issue of redistricting which the General Assembly will finalize during the September meeting.

Below is a summary of some of the bills worked and followed.

◆ **SB 671 and SB 628 - Sales Tax Clarification and Define Permanent Foundation**

These Bills clarify that sales tax should not be charged on installation labor on manufactured homes regardless if it's real property improvement or personal property. It also clarifies that a permanent foundation is defined by the interpretation of the NC Department of Insurance.

Status - Pending in conference committee and is eligible for further consideration.

◆ **SB 419 - Land Use/ Planning and Zoning**

This Bill makes a number of changes to NC planning laws. NCMHA Staff met with the Bill sponsor to request that two amendments be made to the Bill: 1.) Definition of a modular home should read; Modular homes shall bear a seal or label issued by the NC Department of Insurance certifying that the home meets the standards of the North Carolina State Residential Building Code and 2.) Codifies the Court Ruling that age limits on MH are unlawful; A local government may not adopt or enforce zoning regulations or other provisions which exclude manufactured homes based on the age of the home.

Status - Passed the Senate and re-referred to Rules and Operations of the House. The Bill is eligible for further consideration.

◆ **SB 522 and HB 685 - MH Purchase Agreement Changes**

Clarifies that the 3 day right of cancellation only applies to the initial deposit. The consumer may still cancel the transaction later, but some or all of the deposit may be at risk. This was the original intent of the law. It also deletes the financing terms from the required elements of the purchase agreement. Under the NC Safe Act and related federal laws, this information can only be provided by a licensed lender. The dealer is prohibited from quoting financing terms.

Status - Bill did not pass the crossover deadline and therefore ineligible this session.

◆ **HB 707 - Lien Agent Clarification**

It creates a duty for a subcontractor or supplier who files a Notice to Lien Agent for labor or materials supplied in connection with the construction of a one or two family dwelling to cancel the earlier filed notice within 15 days of being paid. This should help eliminate the need for lien waivers to be signed. It also raises the fee from \$25 to \$30.

Status - Passed and signed into law by the Governor on July 21, 2017.

◆ **HB 406 - Repeal Orange County Impact Fee**

This Bill repeals Orange County's ability to charge impact fees on permits.

Status - Passed into law on June 19, 2017. Since it's a local bill it does not need the Governor's signature.

◆ **HB 436 - Local Government/Regulatory Fees**

Originally the legislation would have repealed all impact fees previously authorized by local acts in North Carolina. However, the bill was successfully amended in the House Finance Committee to freeze current impact fees for one year and direct the Legislative Research Commission to study the issue.

Status - Passed and signed into law by the Governor on July 20, 2017.