

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

H

2

**HOUSE BILL 1047
Committee Substitute Favorable 6/6/18**

Short Title: LRC HOA Dispute Resolution/PED Study. (Public)

Sponsors:

Referred to:

May 31, 2018

1 A BILL TO BE ENTITLED
2 AN ACT TO DIRECT THE PROGRAM EVALUATION DIVISION TO STUDY THE
3 CREATION OF A PROCESS FOR MEDIATION, ARBITRATION, OR OTHER
4 ALTERNATIVE DISPUTE RESOLUTION METHODS FOR DISPUTES ARISING
5 BETWEEN PROPERTY OWNERS AND PROPERTY OWNERS ASSOCIATIONS AND
6 THEIR RESPECTIVE GOVERNING ENTITIES, AS RECOMMENDED BY THE
7 LEGISLATIVE RESEARCH COMMISSION.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The Joint Legislative Program Evaluation Oversight Committee shall
10 include in the work plan of the Program Evaluation Division an evaluation of possible alternative
11 dispute resolution (ADR) methods, including arbitration and mediation, for disputes arising
12 between property owners and property owners associations and their respective governing
13 entities. The study shall determine the following: (i) the potential financial burdens of ADR
14 methods and which party should bear the burden, (ii) whether the ADR process should be binding
15 upon the parties, (iii) whether a body should be established to administer ADR matters, and (iv)
16 what role the State should have in establishing a framework for managing disputes. The Program
17 Evaluation Division shall report its findings and recommendations to the Joint Legislative
18 Program Evaluation Oversight Committee on or before February 1, 2019.

19 **SECTION 2.** This act is effective when it becomes law.

