

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 877*

Short Title: Exempt Time-Shares/Rule Against Perpetuities. (Local)

Sponsors: Senator Cook (Primary Sponsor).

Referred to: Judiciary I.

May 29, 2014

A BILL TO BE ENTITLED

AN ACT TO EXEMPT CERTAIN REAL ESTATE TIME-SHARES FROM THE RULE AGAINST PERPETUITIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 4 of Chapter 93A of the General Statutes is amended by adding a new section to read:

"§ 93A-42.1. Construction and validity of declarations adopted prior to the Time-Share Act.

(a) All provisions contained in time-share declarations adopted and recorded at the appropriate Register of Deeds office prior to July 1, 1984, are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of time-share declarations or bylaws adopted and recorded at the appropriate Register of Deeds office prior to July 1, 1984.

(c) Notwithstanding any provision to the contrary contained within a time-share declaration adopted and recorded prior to July 1, 1984, the Board of Directors of a time-share project may, by an affirmative vote of two-thirds of the Board, amend a provision within the time-share declaration, provided that the provision to be changed meets all of the following criteria:

(1) The provision was adopted as part of the original, recorded time-share declaration.

(2) The provision either converts or provides a mechanism to convert ownership of time-share units to tenancy in common.

(d) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent the declaration is inconsistent with this section.

(e) Title or interest in a time-share project or unit is not rendered unmarketable or otherwise affected by reason of an insubstantial failure of the time-share declaration to comply with this section. Whether a substantial failure to comply with this section impairs marketability shall be determined by the laws of this State relating to marketability.

(f) This section shall not otherwise impair the ability of the individual time-share owners' right under the time-share declaration, bylaws, or the laws of this State to vote to terminate the time-share project or to amend the declaration to provide for the termination of the time-share project and interests."

SECTION 2. This act applies only to time-share projects located entirely within the counties of Currituck and Dare.

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

