

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 1084
Committee Substitute Favorable 6/13/12
Committee Substitute #2 Favorable 6/19/12

Short Title: HOAs/Planned Community Act Amends.

(Public)

Sponsors:

Referred to:

May 24, 2012

A BILL TO BE ENTITLED

AN ACT TO (1) REQUIRE ASSOCIATIONS TO RELEASE LIENS UPON PAYMENT IN FULL; (2) REQUIRE ALL ASSOCIATIONS TO CONDUCT FINANCIAL REVIEWS OR FINANCIAL AUDITS; (3) REQUIRE THAT NOTICE OF ASSOCIATION MEETINGS DESCRIBE THE GENERAL NATURE OF ANY MATERIAL MATTER FOR WHICH A VOTE IS TO BE TAKEN, AND VOID ACTIONS TAKEN AT MEETINGS HELD IN VIOLATION OF REQUIREMENTS OF THE PLANNED COMMUNITY ACT OR THE CONDOMINIUM ACT, AS APPLICABLE, OR AN ASSOCIATION'S DECLARATION OR BYLAWS; (4) AMEND VOTING PROVISIONS AS THEY APPLY TO USE OF PROXIES AND BALLOTS; AND (5) ALLOW USE OF ALTERNATIVE DISPUTE RESOLUTION FOR CONFLICTS ARISING UNDER THE PLANNED COMMUNITY ACT OR CONDOMINIUM ACT.

The General Assembly of North Carolina enacts:

PART I. AMENDMENTS TO PLANNED COMMUNITY ACT

SECTION 1. Article 3 of Chapter 47F of the General Statutes is amended by adding a new section to read:

"§ 47F-3-116.1. Associations with claim of lien to file notice of satisfaction with clerk of court upon full payment; liability for failure.

(a) An association that has filed a claim of lien pursuant to G.S. 47F-3-116 shall acknowledge satisfaction of the claim of lien securing the debt within 30 days after the association receives full payment or performance of the debt, as provided in this section. The association shall file with the clerk of court a notice of satisfaction of lien signed by the association's agent or attorney, whereupon the clerk of superior court shall forthwith make upon the record of the claim of lien on real property an entry of acknowledgment of satisfaction.

(b) An association that fails to acknowledge satisfaction of a claim of lien pursuant to this section by the end of the period specified in subsection (a) of this section is liable to the lot owner for any actual damages caused by the failure, but not for punitive damages.

(c) An association that is required to acknowledge satisfaction of a claim of lien pursuant to this section and does not do so by the end of the period specified in subsection (a) of this section is also liable to the lot owner for one thousand dollars (\$1,000) and any reasonable attorneys' fees and court costs incurred if, after the expiration of the period specified in subsection (a) of this section, both of the following occur:

(1) The lot owner gives the association a notification, by certified mail and first-class mail, that provides proof the association has received full



1 payment, demanding that the association acknowledge satisfaction with the
2 clerk of superior court.

3 (2) The association does not acknowledge satisfaction with the clerk of superior
4 court within 30 days after the association's receipt of the notification from
5 the lot owner."

6 **SECTION 2.(a)** G.S. 47F-3-118(a) reads as rewritten:

7 **"§ 47F-3-118. Association records.**

8 (a) The association shall keep financial records sufficiently detailed to enable the
9 association to comply with this Chapter. All financial and other records, including records of
10 meetings of the association and executive board, shall be made reasonably available for
11 examination by any lot owner and the lot owner's authorized agents as required in the bylaws
12 and Chapter 55A of the General Statutes. If the bylaws do not specify particular records to be
13 maintained, the association shall keep accurate records of all cash receipts and expenditures and
14 all assets and liabilities. In addition to any specific information that is required by the bylaws to
15 be assembled and reported to the lot owners at specified times, the association shall make an
16 annual income and expense statement and balance sheet available to all lot owners at no charge
17 and within 75 days after the close of the fiscal year to which the information relates.
18 ~~Notwithstanding the bylaws, a more extensive compilation, review, or audit of the association's~~
19 ~~books and records for the current or immediately preceding fiscal year may be required by a~~
20 ~~vote of the majority of the executive board or by the affirmative vote of a majority of the lot~~
21 ~~owners present and voting in person or by proxy at any annual meeting or any special meeting~~
22 ~~duly called for that purpose."~~

23 **SECTION 2.(b)** Article 3 of Chapter 47F of the General Statutes is amended by
24 adding a new section to read:

25 **"§ 47F-3-118A. Financial review or audit requirements.**

26 (a) Except as provided in subsection (b) of this section, the board of directors shall
27 provide for an annual independent financial review of the association. The review shall be
28 completed no later than 90 days after the end of the association's fiscal year and shall be made
29 available upon request to the lot owners within 30 days after its completion.

30 (b) The board of directors shall provide for an annual independent financial audit of the
31 association, in lieu of an annual independent financial review, if any of the following
32 conditions are met:

33 (1) The declaration, bylaws, or other governing documents expressly require
34 conduct of an annual financial audit.

35 (2) The association has annual revenues or expenditures of at least four hundred
36 thousand dollars (\$400,000).

37 (3) An audit is requested by a vote of a majority of the board or by a vote of a
38 majority of the lot owners present and voting in person or by proxy at any
39 annual meeting or any special meeting duly called for that purpose."

40 **SECTION 3.** G.S. 47F-3-108 reads as rewritten:

41 **"§ 47F-3-108. Meetings.**

42 (a) A meeting of the association shall be held at least once each year. Special meetings
43 of the association may be called by the president, a majority of the executive board, or by lot
44 owners having ten percent (10%), or any lower percentage specified in the bylaws, of the votes
45 in the association. Not less than 10 nor more than 60 days in advance of any meeting, the
46 secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent
47 prepaid by United States mail to the mailing address of each lot or to any other mailing address
48 designated in writing by the lot owner, or sent by electronic means, including by electronic
49 mail over the Internet, to an electronic mailing address designated in writing by the lot owner.
50 The notice of any meeting shall state the time and place of the meeting and the items on the
51 agenda, including the general nature of any proposed amendment to the declaration or bylaws,

1 any budget changes, ~~and~~ any proposal to remove a director or ~~officer~~.officer, and any material
2 matter for which a vote is to be taken.

3 (b) Meetings of the executive board shall be held as provided in the bylaws. At regular
4 intervals, the executive board meeting shall provide lot owners an opportunity to attend a
5 portion of an executive board meeting and to speak to the executive board about their issues or
6 concerns. The executive board may place reasonable restrictions on the number of persons who
7 speak on each side of an issue and may place reasonable time restrictions on persons who
8 speak.

9 (c) Except as otherwise provided in the bylaws, meetings of the association and the
10 executive board shall be conducted in accordance with the most recent edition of Robert's Rules
11 of Order Newly Revised.

12 (d) Actions taken at a meeting held in violation of the association's bylaws or any
13 provision of this Chapter shall be null and void, and no members of the association shall be
14 bound by any decision or ruling made in that meeting."

15 **SECTION 4.(a)** G.S. 47F-3-110 is repealed.

16 **SECTION 4.(b)** Article 3 of Chapter 47F of the General Statutes is amended by
17 adding a new section to read:

18 **"§ 47F-3-110A. Voting; proxies; ballots.**

19 (a) Unless prohibited or limited by the declaration or bylaws, lot owners may vote at a
20 meeting in person, by absentee ballot pursuant to subdivision (4) of subsection (b) of this
21 section, by a proxy pursuant to subsection (c) of this section, or, when a vote is conducted
22 without a meeting, by electronic or paper ballot pursuant to subsection (d) of this section.

23 (b) At a meeting of lot owners, the following requirements apply:

24 (1) Lot owners who are present in person may vote by voice vote, show of
25 hands, standing, or any other method for accurately determining the votes of
26 lot owners, as designated by the person presiding at the meeting.

27 (2) If only one of several owners of a lot is present, that owner is entitled to cast
28 all the votes allocated to that lot. If more than one of the owners are present,
29 the votes allocated to that lot may be cast only in accordance with the
30 agreement of a majority in interest of the owners, unless the declaration
31 expressly provides otherwise. There is majority agreement if any one of the
32 owners casts the votes allocated to the lot without protest being made
33 promptly to the person presiding over the meeting by any of the other
34 owners of the lot.

35 (3) Unless a greater number or fraction of the votes in the association is required
36 for a particular matter to be voted on by this Chapter or the declaration, a
37 majority of the votes cast determines the outcome of any action of the
38 association.

39 (4) Subject to subsection (a) of this section, a lot owner may vote by absentee
40 ballot without being present at the meeting. The association promptly shall
41 deliver an absentee ballot to an owner that requests it if the request is made
42 at least seven days before the scheduled meeting. Votes cast by absentee
43 ballot must be included in the tally of a vote taken at that meeting.

44 (5) When a lot owner votes by absentee ballot, the association must be able to
45 verify that the ballot is cast by the lot owner having the right to do so.

46 (c) Except as otherwise provided in the declaration or bylaws, the following
47 requirements apply with respect to proxy voting:

48 (1) Votes allocated to a lot may be cast pursuant to a directed or undirected
49 proxy duly executed by a lot owner.

- 1 (2) If a lot is owned by more than one person, each owner of the lot may vote or
2 register protest to the casting of votes by the other owners of the lot through
3 a duly executed proxy.
- 4 (3) A lot owner may revoke a proxy given pursuant to this section only by actual
5 notice of revocation to the person presiding over a meeting of the
6 association.
- 7 (4) A proxy is void if it is not dated, if it purports to be revocable without notice,
8 or if it is given in favor of a board member.
- 9 (5) A proxy is valid only for the meeting at which it is cast and any recessed
10 session of that meeting.
- 11 (6) A proxy may be used to achieve the required quorum at a meeting.
- 12 (7) A proxy is valid only if the nature of the matter for which the vote is to be
13 taken is stated in the notice as required by G.S. 47F-3-108(a).
- 14 (8) A person may not cast proxies representing more than fifteen percent (15%)
15 of the votes in the association.
- 16 (d) Unless prohibited or limited by the declaration or bylaws, an association may
17 conduct a vote without a meeting. In that event, the following requirements apply:
- 18 (1) The association shall notify the lot owners that the vote will be taken by
19 ballot.
- 20 (2) The association shall deliver a paper or electronic ballot to every lot owner
21 entitled to vote on the matter.
- 22 (3) The ballot must set forth each proposed action and provide an opportunity to
23 vote for or against the action.
- 24 (4) When the association delivers the ballots, the association shall do all of the
25 following:
- 26 a. Indicate the number of responses needed to meet the quorum
27 requirements.
- 28 b. State the percentage of votes necessary to approve each matter other
29 than election of directors.
- 30 c. Specify the time and date, not fewer than seven days after the date
31 the association delivers the ballot, by which a ballot must be
32 delivered to the association to be counted.
- 33 d. Describe the time, date, and manner by which lot owners wishing to
34 deliver information to all lot owners regarding the subject of the vote
35 may do so.
- 36 (5) Except as otherwise provided in the declaration or bylaws, a ballot is not
37 revoked after delivery to the association by death or disability or attempted
38 revocation by the person that cast that vote.
- 39 (6) Approval by ballot pursuant to this subsection is valid only if the number of
40 votes cast by ballot equals or exceeds the quorum required to be present at a
41 meeting authorizing the action.
- 42 (e) If the declaration requires that votes on specified matters affecting the planned
43 community be cast by lessees rather than lot owners of leased lots, (i) the provisions of this
44 section apply to lessees as if they were lot owners; (ii) lot owners who have leased their lots to
45 other persons may not cast votes on those specified matters; and (iii) lessees are entitled to
46 notice of meetings, access to records, and other rights respecting those matters as if they were
47 lot owners. Lot owners shall also be given notice, in the manner provided in G.S. 47F-3-108, of
48 all meetings at which lessees may be entitled to vote.
- 49 (f) No votes allocated to a lot owned by the association may be cast.
- 50 (g) The declaration may provide that, on specified issues, only a defined subgroup of lot
51 owners may vote, provided both of the following apply:

1 (1) The issue being voted on is of special interest solely to the members of the
2 subgroup.

3 (2) All except de minimis costs that will be incurred based on the vote taken will
4 be assessed solely against those lot owners entitled to vote.

5 (h) For purposes of subdivision (1) of subsection (g) of this section, an issue to be voted
6 on is not a special interest solely to a subgroup if it substantially affects the overall appearance
7 of the planned community or substantially affects living conditions of lot owners not included
8 in the voting subgroup."

9 **SECTION 5.** Article 3 of Chapter 47F of the General Statutes is amended by
10 adding a new section to read:

11 "**§ 47F-3-120.1. Alternative dispute resolution allowed.**

12 Parties to a dispute arising under this Chapter or an association's declaration, bylaws, or
13 rules and regulations may agree to resolve the dispute by any form of binding or nonbinding
14 alternative dispute resolution, except that a declarant may agree with the association to do so
15 only after the period of declarant control has expired. Parties electing to use alternative dispute
16 resolution for disputes arising under this Chapter shall use only mediators certified by the
17 Dispute Resolution Commission. An agreement to submit to any form of binding alternative
18 dispute resolution must be in a record authenticated by the parties."

19
20 **PART II. AMENDMENTS TO CONDOMINIUM ACT**

21 **SECTION 6.** Article 3 of Chapter 47C of the General Statutes is amended by
22 adding a new section to read:

23 "**§ 47C-3-116.1. Associations with claim of lien to file notice of satisfaction with clerk of**
24 **court upon full payment; liability for failure.**

25 (a) An association that has filed a claim of lien pursuant to G.S. 47C-3-116 shall
26 acknowledge satisfaction of the claim of lien securing the debt within 30 days after the
27 association receives full payment or performance of the debt, as provided in this section. The
28 association shall file with the clerk of court a notice of satisfaction of lien signed by the
29 association's agent or attorney, whereupon the clerk of superior court shall forthwith make upon
30 the record of the claim of lien on real property an entry of acknowledgment of satisfaction.

31 (b) An association that fails to acknowledge satisfaction of a claim of lien pursuant to
32 this section by the end of the period specified in subsection (a) of this section is liable to the
33 unit owner for any actual damages caused by the failure, but not for punitive damages.

34 (c) An association that is required to acknowledge satisfaction of a claim of lien
35 pursuant to this section and does not do so by the end of the period specified in subsection (a)
36 of this section is also liable to the lot owner for one thousand dollars (\$1,000) and any
37 reasonable attorneys' fees and court costs incurred if, after the expiration of the period specified
38 in subsection (a) of this section, both of the following occur:

39 (1) The lot owner gives the association a notification, by certified mail and
40 first-class mail, that provides proof the association has received full
41 payment, demanding that the association acknowledge satisfaction with the
42 clerk of superior court.

43 (2) The association does not acknowledge satisfaction with the clerk of superior
44 court within 30 days after the association's receipt of the notification from
45 the lot owner."

46 **SECTION 7.(a)** G.S. 47C-3-118(a) reads as rewritten:

47 "**§ 47C-3-118. Association records.**

48 (a) The association shall keep financial records sufficiently detailed to enable the
49 association to comply with this chapter. All financial and other records, including records of
50 meetings of the association and executive board, shall be made reasonably available for
51 examination by any unit owner and the unit owner's authorized agents as required by the

1 bylaws and by Chapter 55A of the General Statutes if the association is a nonprofit corporation.
2 If the bylaws do not specify particular records to be maintained, the association shall keep
3 accurate records of all cash receipts and expenditures and all assets and liabilities. In addition to
4 any specific information that is required by the bylaws to be assembled and reported to the unit
5 owners at specified times, the association shall make an annual income and expense statement
6 and balance sheet available to all unit owners at no charge and within 75 days after the close of
7 the fiscal year to which the information relates. ~~Notwithstanding the bylaws, a more extensive~~
8 ~~compilation, review, or audit of the association's books and records for the current or~~
9 ~~immediately preceding fiscal year may be required by a vote of the majority of the executive~~
10 ~~board or by the affirmative vote of a majority of the unit owners present and voting in person or~~
11 ~~by proxy at any annual meeting or any special meeting duly called for that purpose."~~

12 **SECTION 7.(b)** Article 3 of Chapter 47C of the General Statutes is amended by
13 adding a new section to read:

14 **"§ 47C-3-103A. Financial review or audit requirements.**

15 (a) Except as provided in subsection (b) of this section, the board of directors shall
16 provide for an annual independent financial review of the association. The review shall be
17 completed no later than 90 days after the end of the association's fiscal year and shall be made
18 available upon request to the unit owners within 30 days after its completion.

19 (b) The board of directors shall provide for an annual financial audit of the association,
20 in lieu of an annual independent financial review, if any of the following conditions are met:

21 (1) The declaration, bylaws, or other governing documents expressly require
22 conduct of an annual financial audit.

23 (2) The association has annual revenues or expenditures of at least four hundred
24 thousand dollars (\$400,000).

25 (3) An audit is requested by a vote of a majority of the board or by a vote of a
26 majority of the unit owners present and voting in person or by proxy at any
27 annual meeting or any special meeting duly called for that purpose."

28 **SECTION 8.** G.S. 47C-3-108 reads as rewritten:

29 **"§ 47C-3-108. Meetings.**

30 (a) A meeting of the association shall be held at least once each year. Special meetings
31 of the association may be called by the president, a majority of the executive board, or by unit
32 owners having twenty percent (20%) or any lower percentage specified in the bylaws of the
33 votes in the association. Not less than 10 nor more than 50 days in advance of any meeting, the
34 secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent
35 prepaid by United States mail to the mailing address of each unit or to any other mailing
36 address designated in writing by the unit owner, or sent by electronic means, including by
37 electronic mail over the Internet, to an electronic mailing address designated in writing by the
38 unit owner. The notice of any meeting must state the time and place of the meeting and the
39 items on the agenda, including the general nature of any proposed amendment to the
40 declaration or bylaws, any budget changes, ~~and~~ any proposal to remove a director or ~~officer~~
41 officer, and any material matter for which a vote is to be taken.

42 (b) Meetings of the executive board shall be held as provided in the bylaws. At regular
43 intervals, the executive board meeting shall provide unit owners an opportunity to attend a
44 portion of an executive board meeting and to speak to the executive board about their issues
45 and concerns. The executive board may place reasonable restrictions on the number of persons
46 who speak on each side of an issue and may place reasonable time restrictions on persons who
47 speak.

48 (c) Except as otherwise provided for in the bylaws, meetings of the association and
49 executive board shall be conducted in accordance with the most recent edition of Robert's Rules
50 of Order Newly Revised.

1 (d) Actions taken at a meeting held in violation of the association's bylaws or any
2 provision of this Chapter shall be null and void, and no members of the association shall be
3 bound by any decision or ruling made in that meeting."

4 **SECTION 9.(a)** G.S. 47C-3-110 is repealed.

5 **SECTION 9.(b)** Article 3 of Chapter 47C of the General Statutes is amended by
6 adding a new section to read:

7 **"§ 47C-3-110A. Voting; proxies; ballots.**

8 (a) Unless prohibited or limited by the declaration or bylaws, unit owners may vote at a
9 meeting in person, by absentee ballot pursuant to subdivision (4) of subsection (b) of this
10 section, by a proxy pursuant to subsection (c) of this section, or, when a vote is conducted
11 without a meeting, by electronic or paper ballot pursuant to subsection (d) of this section.

12 (b) At a meeting of unit owners, all of the following requirements apply:

13 (1) Unit owners who are present in person may vote by voice vote, show of
14 hands, standing, or any other method for accurately determining the votes of
15 unit owners, as designated by the person presiding at the meeting.

16 (2) If only one of several owners of a unit is present, that owner is entitled to
17 cast all the votes allocated to that unit. If more than one of the owners are
18 present, the votes allocated to that unit may be cast only in accordance with
19 the agreement of a majority in interest of the owners, unless the declaration
20 expressly provides otherwise. There is majority agreement if any one of the
21 owners casts the votes allocated to the unit without protest being made
22 promptly to the person presiding over the meeting by any of the other
23 owners of the unit.

24 (3) Unless a greater number or fraction of the votes in the association is required
25 for a particular matter to be voted on by this Chapter or the declaration, a
26 majority of the votes cast determines the outcome of any action of the
27 association.

28 (4) Subject to subsection (a) of this section, a unit owner may vote by absentee
29 ballot without being present at the meeting. The association promptly shall
30 deliver an absentee ballot to an owner that requests it if the request is made
31 at least seven days before the scheduled meeting. Votes cast by absentee
32 ballot must be included in the tally of a vote taken at that meeting.

33 (5) When a unit owner votes by absentee ballot, the association must be able to
34 verify that the ballot is cast by the unit owner having the right to do so.

35 (c) Except as otherwise provided in the declaration or bylaws, the following
36 requirements apply with respect to proxy voting:

37 (1) Votes allocated to a unit may be cast pursuant to a directed or undirected
38 proxy duly executed by a unit owner.

39 (2) If a unit is owned by more than one person, each owner of the unit may vote
40 or register protest to the casting of votes by the other owners of the unit
41 through a duly executed proxy.

42 (3) A unit owner may revoke a proxy given pursuant to this section only by
43 actual notice of revocation to the person presiding over a meeting of the
44 association.

45 (4) A proxy is void if it is not dated, if it purports to be revocable without notice,
46 or if it is given in favor of a board member.

47 (5) A proxy is valid only for the meeting at which it is cast and any recessed
48 session of that meeting.

49 (6) A proxy may be used to achieve the required quorum at a meeting.

50 (7) A proxy is valid only if the nature of the matter for which the vote is to be
51 taken is stated in the notice as required by G.S. 47F-3-108(a).

- 1 (8) A person may not cast proxies representing more than fifteen percent (15%)
2 of the votes in the association.
- 3 (d) Unless prohibited or limited by the declaration or bylaws, an association may
4 conduct a vote without a meeting. In that event, the following requirements apply:
- 5 (1) The association shall notify the unit owners that the vote will be taken by
6 ballot.
- 7 (2) The association shall deliver a paper or electronic ballot to every unit owner
8 entitled to vote on the matter.
- 9 (3) The ballot must set forth each proposed action and provide an opportunity to
10 vote for or against the action.
- 11 (4) When the association delivers the ballots, the association shall do all of the
12 following:
- 13 a. Indicate the number of responses needed to meet the quorum
14 requirements.
- 15 b. State the percentage of votes necessary to approve each matter other
16 than election of directors.
- 17 c. Specify a time and date, not fewer than seven days after the date the
18 association delivers the ballot, by which a ballot must be delivered to
19 the association to be counted.
- 20 d. Describe the time, date, and manner by which unit owners wishing to
21 deliver information to all unit owners regarding the subject of the
22 vote may do so.
- 23 (5) Except as otherwise provided in the declaration or bylaws, a ballot is not
24 revoked after delivery to the association by death or disability or attempted
25 revocation by the person that cast that vote.
- 26 (6) Approval by ballot pursuant to this subsection is valid only if the number of
27 votes cast by ballot equals or exceeds the quorum required to be present at a
28 meeting authorizing the action.
- 29 (e) If the declaration requires that votes on specified matters affecting the condominium
30 be cast by lessees rather than unit owners of leased units, (i) the provisions of this section apply
31 to lessees as if they were unit owners; (ii) unit owners who have leased their units to other
32 persons may not cast votes on those specified matters; and (iii) lessees are entitled to notice of
33 meetings, access to records, and other rights respecting those matters as if they were unit
34 owners. Unit owners must also be given notice, in the manner provided in G.S. 47C-3-108, of
35 all meetings at which lessees may be entitled to vote.
- 36 (f) No votes allocated to a unit owned by the association may be cast.
- 37 (g) The declaration may provide that, on specified issues, only a defined subgroup of
38 unit owners may vote, provided both of the following apply:
- 39 (1) The issue being voted on is of special interest solely to members of the
40 subgroup.
- 41 (2) All except de minimis costs that will be incurred based on the vote taken will
42 be assessed solely against those unit owners entitled to vote.
- 43 (h) For purposes of subdivision (1) of subsection (g) of this section, an issue to be voted
44 on is not of special interest solely to a subgroup if it substantially affects the overall appearance
45 of the condominium or substantially affects living conditions of unit owners not included in the
46 voting subgroup."

47 **SECTION 10.** Article 3 of Chapter 47C of the General Statutes is amended by
48 adding a new section to read:

49 **"§ 47C-3-120. Alternative dispute resolution allowed.**

50 Parties to a dispute arising under this Chapter or an association's declaration, bylaws, or
51 rules and regulations may agree to resolve the dispute by any form of binding or nonbinding

1 alternative dispute resolution, except that a declarant may agree with the association to do so
2 only after the period of declarant control has expired. Parties electing to use alternative dispute
3 resolution for disputes arising under this Chapter shall only use mediators certified by the
4 Dispute Resolution Commission. An agreement to submit to any form of binding alternative
5 dispute resolution must be in a record authenticated by the parties."

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7 **PART III. EFFECTIVE DATE**

8 **SECTION 11.** Except as otherwise provided, this act becomes effective July 1,
9 2012.