

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 1253

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

Sponsors: Representatives Tine and Steinburg (Primary Sponsors).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Judiciary Subcommittee A.

May 29, 2014

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXEMPT CERTAIN REAL ESTATE TIME-SHARES FROM THE RULE  
3 AGAINST PERPETUITIES.

4 The General Assembly of North Carolina enacts:

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

7 "**§ 93A-42.1. Construction and validity of declarations adopted prior to the Time-Share**  
8 **Act.**

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

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

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

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

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

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

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

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

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

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

