

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**HOUSE BILL 1114**

Short Title: NC Affordable Housing Act. (Public)

Sponsors: Representatives Hurtado, Alston, Autry, and Brown (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 27, 2022

A BILL TO BE ENTITLED  
AN ACT APPROPRIATING FUNDS FOR AFFORDABLE HOUSING, MAKING HOUSING  
DISCRIMINATION ON THE BASIS OF SOURCE OF INCOME A VIOLATION OF THE  
STATE'S FAIR HOUSING LAWS, AND ESTABLISHING REVENUE FOR THE NC  
HOUSING TRUST FUND.

Whereas, as North Carolina prospers economically and attracts families and businesses from across the nation, housing supply continues to lag behind the housing demand across the State causing rents and housing prices to soar; and

Whereas, housing is not only an integral part of a family's budget, but also the State's economy. Ensuring that all North Carolinians have access to safe, decent, and affordable housing is a sound financial investment in the State's future. According to the Urban Institute, "no county has enough affordable housing to meet the needs of its residents with the lowest incomes, leading to strained household budgets and elevated rental market risks"; and

Whereas, local governments can no longer tackle the growing housing crisis alone and need greater partnership and investment from the State; and

Whereas, the State has existing tools to combat the housing crisis, including the North Carolina Housing Trust Fund. The Housing Trust Fund was created by the General Assembly in 1987 and is the State's most flexible resource for the State's growing need for affordable housing because it leverages private funding to create a variety of housing solutions, including homeownership, rental units, supportive housing, new construction, rehabilitation, and emergency repairs; and

Whereas, an annual investment of \$100,000,000 in the Housing Trust Fund will help over 10,800 families, generate over \$516,900,000 in real estate value, support over 11,000 jobs, and generate over \$45,500,000 in local and State revenue; and

Whereas, the State also needs greater investment in new and existing programs to protect working families that face either sudden income loss due to life emergencies or spikes in rental prices that cause housing instability due to affordability; and

Whereas, additional State funding for affordable housing is necessary to tackle the State's housing crisis and to put the State in a position to provide leadership and to collaborate with the public, private, and nonprofit sectors to address these issues; Now, therefore, The General Assembly of North Carolina enacts:

**SECTION 1.** There is appropriated from the General Fund to the North Carolina Housing Trust Fund the sum of one hundred million dollars (\$100,000,000) in recurring funds for the 2022-2023 fiscal year to increase funding for affordable housing programs in the State.





1 ...  
2 (g) It is an unlawful discriminatory housing practice to discriminate in land-use decisions  
3 or in the permitting of development based on race, color, religion, sex, national origin,  
4 handicapping condition, source of income, familial status, or, except as otherwise provided by  
5 law, the fact that a development or proposed development contains affordable housing units for  
6 families or individuals with incomes below eighty percent (80%) of area median income. It is  
7 not a violation of this Chapter if land-use decisions or permitting of development is based on  
8 considerations of limiting high concentrations of affordable housing.

9 **"§ 41A-5. Proof of violation.**

10 (a) It is a violation of this Chapter if:

- 11 (1) A person by his act or failure to act intends to discriminate against a person.  
12 A person intends to discriminate if, in committing an unlawful discriminatory  
13 housing practice described in G.S. 41A-4 he was motivated in full, or in any  
14 part at all, by race, color, religion, sex, national origin, handicapping  
15 condition, source of income, or familial status. An intent to discriminate may  
16 be established by direct or circumstantial evidence.  
17 (2) A person's act or failure to act has the effect, regardless of intent, of  
18 discriminating, as set forth in G.S. 41A-4, against a person of a particular race,  
19 color, religion, sex, national origin, handicapping condition, source of income,  
20 or familial status. However, it is not a violation of this Chapter if a person  
21 whose action or inaction has an unintended discriminatory effect, proves that  
22 his action or inaction was motivated and justified by business necessity.

23 ...

24 **"§ 41A-6. Exemptions.**

25 (a) The provisions of G.S. 41A-4, except for subdivision (a)(6), do not apply to the  
26 following:

27 ...

- 28 (3) Religious institutions or organizations or charitable or educational  
29 organizations operated, supervised, or controlled by religious institutions or  
30 organizations which give preference to members of the same religion in a real  
31 estate transaction, as long as membership in such religion is not restricted by  
32 race, color, sex, national origin, handicapping condition, source of income, or  
33 familial status;

34 ...."

35 **SECTION 4.** G.S. 105-228.30 reads as rewritten:

36 **"§ 105-228.30. Imposition of excise tax; distribution of proceeds.**

37 (a) An excise tax is levied on each instrument by which any interest in real property is  
38 conveyed to another person. The tax rate is (i) one dollar and fifty cents (\$1.50) on each five  
39 hundred dollars (\$500.00) or fractional part thereof of the consideration or value of the interest  
40 for qualified investment conveyances and (ii) one dollar (\$1.00) on each five hundred dollars  
41 (\$500.00) or fractional part thereof of the consideration or value of the interest conveyed.~~for any~~  
42 other conveyance. A "qualified investment conveyance" is a conveyance of an interest in real  
43 property to a business entity that will use the property primarily for rental as a residence by one  
44 or more individuals. The transferee must pay one-third of the tax on a qualified investment  
45 conveyance levied pursuant to this section to, and the transferor must pay the remainder of the  
46 tax to levied pursuant to this section to, the register of deeds of the county in which the real estate  
47 is located before recording the instrument of conveyance. If the instrument transfers a parcel of  
48 real estate lying in two or more counties, however, the tax must be paid to the register of deeds  
49 of the county in which the greater part of the real estate with respect to value lies.

1 The excise tax on instruments imposed by this Article applies to timber deeds and contracts  
2 for the sale of standing timber to the same extent as if these deeds and contracts conveyed an  
3 interest in real property.

4 (b) The register of deeds of each county must remit the proceeds of the tax levied by this  
5 section to the county finance officer. The finance officer of each county must credit one-half of  
6 the proceeds to the county's general fund and remit the remaining one-half of the proceeds, less  
7 taxes refunded and the county's allowance for administrative expenses, to the Department of  
8 Revenue on a monthly basis. A county may retain two percent (2%) of the amount of tax proceeds  
9 allocated for remittance to the Department of Revenue as compensation for the county's cost in  
10 collecting and remitting the State's share of the tax. The Department of Revenue shall credit the  
11 funds remitted to the Department of Revenue under this subsection as follows:

12 (1) Two-thirds of the excise tax on qualified investment conveyances to the Office  
13 of State Budget and Management for deposit into the North Carolina Housing  
14 Trust Fund established in G.S. 122E-3.

15 (2) The remainder to the General Fund."

16 **SECTION 5.** Sections 1 and 2 of this act become effective July 1, 2022. Sections 3  
17 and 4 of this act become effective October 1, 2022. The remainder of this act is effective when it  
18 becomes law.