

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 877*
Judiciary I Committee Substitute Adopted 6/26/14
Third Edition Engrossed 7/1/14

Short Title: Exempt Time Shares/Rule Against Perpetuities.

(Public)

Sponsors:

Referred to:

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 time
12 share declarations or bylaws adopted and recorded at the appropriate register of deeds office
13 prior to July 1, 1984.

14 (c) Except as otherwise provided in the time share declaration, the board of directors of
15 a time share project may, by an affirmative vote of two-thirds of the board, amend a provision
16 within the time share declaration, provided that the provision to be changed meets all of the
17 following criteria:

18 (1) The provision was adopted as part of the original time share declaration
19 recorded prior to July 1, 1984.

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

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

26 (e) This section shall not otherwise impair the ability of the individual time share
27 owner's right under the time share declaration, bylaws, or the laws of this State to vote to
28 terminate the time share project or to amend the declaration to provide for the termination of
29 the time share project and interests."

30 SECTION 2. This act is effective when it becomes law.

