

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 524
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30004-NO-7

Short Title: Fraud Detection Alert System. (Public)

Sponsors: Representative Kidwell.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE REGISTER OF DEEDS TO PROVIDE ACCESS TO A FRAUD
DETECTION ALERT SYSTEM AND TO MODIFY PROVISIONS REGARDING
PROPERTY CRIMES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 161 of the General Statutes is amended by adding
a new section to read:

"§ 161-32. Fraud detection alert system.

(a) The following definitions apply in this section:

- (1) Fraud detection alert system. – A system which sends automated recording notifications.
- (2) Land record. – A deed, deed of trust, mortgage, or other document purporting to convey or encumber an interest in real property.
- (3) Monitored identity. – A personal, trust, or business name submitted by a registrant for monitoring under a fraud detection alert system.
- (4) Recording notification. – A notification sent by electronic mail indicating to a registrant that a land record associated with the registrant's monitored identity has been recorded in the office of the register of deeds.
- (5) Registrant. – A person who enrolls in a fraud detection alert system.

(b) The register of deeds shall ensure that registration for a fraud detection alert system is possible through an electronic registration portal, which portal shall include at least all of the following features:

- (1) Be accessible through a direct link on the register of deeds' official public website.
- (2) Allow a registrant to subscribe to receive recording notifications for at least five monitored identities per valid electronic mail address provided.
- (3) Include a method by which a registrant may unsubscribe from the system.
- (4) List a phone number at which the register of deeds office may be contacted during normal business hours with questions related to the system.
- (5) Send an automated electronic mail message to a registrant confirming the registrant's successful registration for or action to unsubscribe from the system, which message must identify each monitored identity for which a subscription was received or canceled.

(c) When a land record is recorded for a monitored identity, a recording notification must be sent within 24 hours after the recording has been completed to each registrant who is



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subscribed to receive recording notifications for that monitored identity. Such notification must contain at least the following:

- (1) Information identifying the monitored identity for which the land record was filed.
- (2) The land record's recording date.
- (3) The official record book and page number or instrument number assigned to the land record by the register of deeds.
- (4) Instructions for electronically searching for and viewing the land record using the assigned official record book and page number or instrument number.
- (5) A phone number at which the register of deeds office may be contacted during normal business hours with questions related to the recording notification.

(d) There is no right or cause of action against, and no civil liability on the part of, the register of deeds or the county with respect to the creation, maintenance, or operation of a fraud detection alert system as required by this section.

(e) The register of deeds may charge a reasonable fee to a registrant for enrolling in the fraud detection alert system in an amount that does not exceed the actual cost of maintaining and allowing access to the system."

SECTION 2. G.S. 14-117.8 reads as rewritten:

"§ 14-117.8. Fraudulently renting, leasing, or advertising for sale of residential real property.

(a) **Offense Involving Fraudulent Rental or Lease.** – It is unlawful to rent or lease residential real property to another person knowing that the renter or lessor has no lawful ownership in the property or leasehold interest in the property.

(b) **Offense Involving Fraudulent Advertising.** – It is unlawful to list or advertise residential real property for sale knowing that the purported seller has no legal title or authority to sell the property.

(c) **Punishment.** – Unless the conduct is covered under some other provision of law providing greater punishment, a person who violates this section shall be punished as follows:

(1) A person who violates subsection (a) of this section is guilty of a Class H felony.

(2) A person who violates subsection (b) of this section is guilty of a Class I felony.

(d) In addition to any criminal penalties provided in this section, knowingly ~~renting or leasing~~ renting, leasing, listing, or advertising residential real property to another person knowing that the ~~renter or lessor~~ renter, lessor, or the person soliciting the listing or advertisement has no lawful ownership or leasehold interest in the property shall constitute a violation of G.S. 75-1.1. In a civil suit initiated by a person who alleges that a person's violation of this section constitutes a violation of G.S. 75-1.1, the presiding judge may allow a reasonable attorney fee in accordance with G.S. 75-16.1 to the attorney representing the person bringing the suit without finding that there was an unwarranted refusal by the party charged with the violation to fully resolve the matter which constitutes the basis of the suit."

SECTION 3. Section 1 of this act becomes effective October 1, 2025, and applies to land records recorded on or after that date. Section 2 of this act becomes effective October 1, 2025, and applies to causes of action arising on or after that date. The remainder of this act is effective when it becomes law.