

Property, Trusts, and Estates

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Further Prohibit Property Restrictions on Flying the American and North Carolina Flags. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 4

Section 4 of S.L. 2026-59 (Senate Bill 445) eliminates limited exceptions under which condominiums and homeowners associations (HOAs) could previously prohibit or regulate the display of an American or North Carolina flag. It also provides that in no circumstance can an HOA prohibit or regulate the display of an American or North Carolina flag that is 4' x 6' or smaller and flown in accordance with the federal Flag Code.

This section became effective August 11, 2026.

Conform Definition of "Manufactured Home" with Federal Definition. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 5

Section 5 of S.L. 2026-59 (Senate Bill 445) updates the definition of "manufactured home" throughout the statutes to conform to the federal definition of "manufactured home" found in 42 U.S.C. § 5402(6), and incorporates future amendments to the federal law into the State definition.

42 U.S.C. § 5402(6) currently defines a "manufactured home" as "a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein...."

Section 301(a) of [H.R. 6644](#), the federal 21st Century ROAD to Housing Act, which became law on July 11, 2026, amends the definition in 42 U.S.C. § 5402(6) by deleting the phrase "on a permanent chassis" and inserting "with or without a permanent chassis" and requires states to certify within a year of enactment that their laws treat manufactured homes without a chassis the same as one built on a chassis, and subject a manufactured home without a permanent chassis to the same State laws and regulations as a manufactured home built on a permanent chassis with respect to financing, title, insurance, manufacture, sale, taxes, transportation, and installation.

This section becomes effective October 1, 2026.

Allow Construction and Siting of Accessory Dwelling Units. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 44

Section 44 of S.L. 2026-59 (Senate Bill 445) requires cities with a population of 50,000 or greater, not in the coastal area, to allow at least one accessory dwelling unit (ADU) for each single-family detached dwelling in areas zoned for single-family residential use. Under the act, an ADU is defined as an attached or detached residential structure that is used in connection with or that is accessory to a primary single-family detached dwelling located on the same parcel as the primary single-family detached dwelling and that has less total square footage than the primary single-family detached dwelling. The ADU must conform to the North Carolina Residential Code and can be built or sited concurrently with the primary dwelling, or after the primary dwelling has been constructed.

In the permitting of ADUs, local governments are prohibited from:

- Denying use of the primary single-family detached dwelling and the ADU for long term rentals by separate households.
- Requiring placement in a conditional zoning district.
- Establishing minimum parking requirements or other ADU parking restrictions.
- Prohibiting ADU connection to the primary dwelling unit's existing utilities, unless capacity is insufficient to serve both dwellings.
- Charging fees greater than those charged for single-family detached dwellings.
- Setting a maximum ADU size of less than 800 square feet or greater than 1000 square feet.

The local government can still require the ADU to:

- Meet a setback that is the lesser of either 10 feet or the setback required for lots in the same zoning classification.
- Be located to the side or rear of the primary single-family detached dwelling.
- Be smaller than the primary single-family detached dwelling.

The requirement to allow ADUs does not apply to any of the following:

- The validity or enforceability of private covenants or other contractual agreements among property owners related to dwelling type restrictions.
- Properties located in a historic preservation district.
- Properties designated as a National Historic Landmark by the United States Department of Interior.
- An ADU that is not connected to water and sewer, well or septic.

A parcel with an ADU permitted for construction can not be subdivided such that the ADU would no longer be on the same parcel as the single-family detached dwelling.

These provisions become effective January 15, 2027, and apply to applications for accessory dwelling unit permits submitted on or after that date. Local governments must adopt development regulations to implement the section no later than July 1, 2027.

Modify Certain Bond Requirements. – 2026 Court Changes.

Ratified (H377), Sec. 3

Section 3 of House Bill 377 would have removed the requirement that the form of a first mortgage or deed of trust securing a bond in a decedent's estate be approved by the administrative officer of the courts. It also would have updated a statutory reference related to a guardian's bond.

House Bill 377 was ratified by the General Assembly on August 6, 2026, and vetoed by the Governor on August 17, 2026.

Modify Safekeeping Statute Related to Wills. – 2026 Court Changes.

Ratified (H377), Sec. 10

Section 10 of House Bill 377 would have modified the statute governing the safekeeping of wills by the clerk of superior court. It would have allowed the clerk of superior court to receive a will for safekeeping from a testator's agent if the agent had authority under a valid power of attorney. It also would have required the will to remain in the clerk's receptacle or depository until the will was offered for probate or filed with the clerk without probate.

House Bill 377 was ratified on August 6, 2026, but was vetoed by the Governor on August 17, 2026.

Clarify Use of Summonses in Caveat Proceeding. – 2026 Court Changes.

Ratified (H377), Sec. 12

Section 12 of House Bill 377 would have provided that upon the filing of a caveat in a probate proceeding, the caveat must be served on all interested parties in accordance with the rules of civil procedure but that a summons is not required.

House Bill 377 was ratified on August 6, 2026, but was vetoed by the Governor on August 17, 2026.

Amend Procedure for Determining Elective Share. – 2026 Court Changes.

Ratified (H377), Sec. 27.1

Section 27.1 of House Bill 377 would have amended the procedure for determining the elective share to provide that the summons and claims in the petition must relate back to the date of the

filing of the petition. It would have specified that the requirement that a summons be issued within five days of the filing of the petition under Rule 4(a) of the Rules of Civil Procedure does not apply. This section also would have made other technical and organizational changes.

House Bill 377 was ratified on August 6, 2026, but was vetoed by the Governor on August 17, 2026.

Technical Corrections to Estate Planning Statutes. – 2026 Court Changes.

Ratified (H377), Sec. 27.4

Section 27.4 of House Bill 377 would clarify that revocation of provisions in a revocable trust by divorce or annulment do not apply when the settlor executes a subsequent amendment to the revocable trust, which makes express references to the revocable trust, and which modifies the revocable trust.

House Bill 377 was ratified on August 6, 2026, but was vetoed by the Governor on August 17, 2026.