

RULE 21 NCAC 58A .0119 EFFECTIVE JANUARY 1, 2015

At its meeting on December 17, 2014, the Rules Review Commission (“RRC”) considered and approved, as a temporary rule, 21 NCAC 58A .0119, requiring the use of a mineral, gas and oil rights disclosure statement in all real estate transactions described in G.S. 47E-1 and 47E-2(b). The temporary rule becomes effective January 1, 2015.

A summary of Rule A .0119 appears on the following page, followed by the text of the rule incorporating minor technical changes requested by the RRC. The new Mineral and Oil and Gas Rights Mandatory Disclosure Statement (designated Form REC 4.25) required by Rule A .0119 is available on the Commission’s website at www.ncrec.gov and may be accessed by navigating to the Forms page and then clicking on “Consumer Forms,” or by clicking on the link below:

<http://www.ncrec.gov/Forms/Consumer/rec425.pdf>

Members of the public may submit inquiries regarding any of the rule changes by contacting the rule-making coordinator as follows:

Curtis E. Aldendifer
North Carolina Real Estate Commission
P.O. Box 17100
Raleigh, NC 27619
(919) 875-3700 (telephone)
(919) 877-4220 (fax)
legal@ncrec.gov

Summary of Rule 21 NCAC 58A .0119

Real Estate Brokers - General Brokerage:

21 NCAC 58A .0119 – A temporary rule adopted in compliance with recent amendments to Chapter 47E of the General Statutes that eliminate the requirement of an oil and gas disclosure in residential real estate contracts and instead require the Real Estate Commission to develop and require the use of a mandatory mineral, gas and oil rights disclosure statement. The disclosure statement required by the new rule shall include the text of the mineral, oil and gas disclosures as mandated by G.S. 47E-4.1. The disclosure requirement will apply to all transfers of properties described in G.S. 47E-1 and 47E-2(b), including transfers involving the first sale of a dwelling never inhabited, lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling, and transfers where both parties agree not to complete a Residential Property and Owners' Association Disclosure Statement.

1 **21 NCAC 58A .0119 MINERAL AND OIL AND GAS RIGHTS MANDATORY DISCLOSURE**
2 **STATEMENT**

3 (a) Every owner of real property subject to a transfer of the type governed by G.S. 47E-1 and 47E-2(b) shall
4 complete a disclosure statement form prescribed by the Commission and designated “Mineral and Oil and Gas
5 Rights Mandatory Disclosure Statement,” and shall furnish a copy of the completed form to a purchaser as required
6 by G.S. 47E-4.1. The form shall bear the seal of the North Carolina Real Estate Commission and shall include the
7 following:

- 8 (1) instructions to property owners regarding transactions when the disclosure statement is required;
- 9 (2) the text and format of the disclosure statement form as required by G.S. 47E-4.1(a);
- 10 (3) a note to purchasers regarding their rights under G.S. 47E-5 in the event they are not provided
11 with a disclosure statement as required by G.S. 47E-4.1;
- 12 (4) the identification of the subject property and the parties to the transaction;
- 13 (5) an acknowledgment by the owner(s) that the disclosure statement is true and correct as of the date
14 signed; and
- 15 (6) an acknowledgment by the buyer(s) of the receipt of a copy of the disclosure statement.

16 (b) The disclosure statement form described in Paragraph (a) of this Rule shall be available on the Commission’s
17 website at www.ncrec.gov or upon request to the Commission.

18 (c) The disclosure statement form described in Paragraph (a) of this Rule may be reproduced, but the text of the
19 form shall not be altered or amended in any way.

20 (d) Every broker representing a party in a real estate transaction governed by G.S. 47E-1 and 47E-2(b) shall inform
21 each client of the client’s rights and obligations under G.S. Chapter 47E.

22 (e) The disclosure statement form described in Paragraph (a) applies to all contracts executed on or after January 1,
23 2015.

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25 *History Note:* Authority G.S. 47E-4.1; 47E-4.1(b); 47E-5; 47E-8; 93A-3(c); 93A-6;
26 *Eff. January 1, 2015*