

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2017

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HOUSE BILL 455

Short Title: Increase Funeral Expense Allowance. (Public)

Sponsors: Representatives B. Richardson and Alexander (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Homeland Security, Military, and Veterans Affairs, if favorable, Finance

March 27, 2017

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE ALLOWABLE FUNERAL EXPENSE AMOUNT IN SECOND CLASS PRIORITY CLAIMS FOR FUNERAL EXPENSES AGAINST THE ESTATE OF A DECEDENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 28A-19-6(a) reads as rewritten:

"§ 28A-19-6. Order of payment of claims.

(a) After payment of costs and expenses of administration, the claims against the estate of a decedent must be paid in the following order:

First class. Claims which by law have a specific lien on property to an amount not exceeding the value of such property.

Second class. Funeral expenses to the extent of three-six thousand five hundred dollars (\$3,500)-(\$6,000). This limitation shall not include burial place or gravestone. The preferential limitation herein granted shall be construed to be only a limit with respect to preference of payment and shall not be construed to be a limitation on reasonable funeral expenses which may be incurred; nor shall the preferential limitation of payment in the amount of three-six thousand five hundred dollars (\$3,500)-(\$6,000) be diminished by any Veterans Administration, social security or other federal governmental benefits awarded to the estate of the decedent or to the decedent's beneficiaries.

Third class. Costs associated with gravestones and reasonable costs for the purchase of a suitable burial place as provided in G.S. 28A-19-9 to the extent of one thousand five hundred dollars (\$1,500). The preferential limitation herein granted shall be construed to be only a limit with respect to preference of payment and shall not be construed to be a limitation on reasonable gravestone or burial place expenses which may be incurred; nor shall the preferential limitation of payment in the amount of one thousand five hundred dollars (\$1,500) be diminished by any Veterans Administration, social security or other federal governmental benefits awarded to the estate of the decedent or to the decedent's beneficiaries.

Fourth class. All dues, taxes, and other claims with preference under the laws of the United States.

Fifth class. All dues, taxes, and other claims with preference under the laws of the State of North Carolina and its subdivisions.

Sixth class. Judgments of any court of competent jurisdiction within the State, docketed and in force, to the extent to which they are a lien on the property of the decedent at the decedent's death. The Department of Health and Human Services is a sixth-class creditor for purposes of determining the order of claims against the estate; provided, however, that judgments in favor



1 of other sixth-class creditors docketed and in force before the Department seeks recovery for
2 medical assistance shall be paid prior to recovery by the Department.

3 Seventh class. Wages due to any employee employed by the decedent, which claim for
4 wages shall not extend to a period of more than 12 months next preceding the death; or if such
5 employee was employed for the year current at the decease, then from the time of such
6 employment; for medical services within the 12 months preceding the decease; for drugs and
7 all other medical supplies necessary for the treatment of such decedent during the last illness of
8 such decedent, said period of last illness not to exceed 12 months.

9 Eighth class. A claim for equitable distribution.

10 Ninth class. All other claims."

11 **SECTION 2.** This act becomes effective October 1, 2017, and applies to estates of
12 decedents dying on or after that date.