

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 278

Short Title: Prop./Fam. Law-Reimburse Prop. Expenditures. (Public)

Sponsors: Senators Galey and Britt (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 15, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO CONFORM THE STATUTE RELATING TO REIMBURSEMENT FOR
3 EXPENDITURES MADE BY SPOUSES ON JOINT PROPERTY WITH CURRENT
4 FAMILY LAW PRACTICE, AS RECOMMENDED BY THE FAMILY LAW SECTION
5 OF THE NORTH CAROLINA BAR ASSOCIATION.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 41-61 reads as rewritten:

8 "§ 41-61. **Reimbursement for expenditures made on entireties property.**

9 (a) ~~Neither spouse holding property as tenants. After a tenancy by the entirety is has been~~
10 ~~terminated by death, neither the surviving spouse nor the personal representative of the deceased~~
11 ~~spouse shall be entitled to reimbursement of from the other for expenditures made on the~~
12 ~~property, with respect to the subject property during the existence of the tenancy by the entirety,~~
13 ~~including payments on indebtedness encumbering the property, while the tenancy by the entirety~~
14 ~~exists, made for recurring expenses, improvements, and payments made on indebtedness secured~~
15 ~~by a lien on the subject property.~~

16 (b) When the tenancy by the entirety is converted to a tenancy in common by absolute
17 divorce or otherwise, responsibility for expenditures for the property held as tenants in common
18 is allocated as provided by the law governing tenants in common, unless otherwise directed in a
19 court order such as in an equitable distribution proceeding.

20 (c) Nothing in this section shall do any of the following:

21 (1) Apply in any proceeding for equitable distribution, or constitute any limitation
22 on the power of the court in any equitable distribution proceeding.

23 (2) Render unenforceable the terms of any otherwise valid and enforceable
24 provisions in a premarital agreement, postmarital agreement, or promissory
25 note given by one spouse to the other.

26 (3) Affect any otherwise valid and enforceable lien or judgment."

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

