



SENATE BILL 278: Prop./Fam. Law-Reimburse Prop. Expenditures.

2021-2022 General Assembly

Committee:	House Judiciary 3. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	September 14, 2021
Introduced by:	Sens. Galey, Britt	Prepared by:	Bill Patterson
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: *Senate Bill 278 would clarify when prohibitions on reimbursement to spouses for expenditures made on properties held as a tenancy by the entirety apply, as recommended by the North Carolina Bar Association.*

CURRENT LAW AND BACKGROUND: S.L. 2020-50 made changes and technical corrections to the General Statutes concerning real property law and created Article 5 of Chapter 41 of the General Statutes entitled "Tenancy by the Entirety," as recommended by the North Carolina Bar Association.

Currently, under G.S. 41-61, neither spouse holding property as tenants by the entirety is entitled to reimbursement of expenditures made on the property while the tenancy by the entirety still exists.

BILL ANALYSIS:

Section 1 would amend G.S. 41-61 by:

- 1) Limiting the prohibition on a spouse receiving reimbursement from the other for expenditures made to a property during a tenancy by the entirety to "after a tenancy by the entirety has been terminated by death" and
- 2) Stating the statute would not:
 - Apply in any proceeding for equitable distribution or limit the power of the court in any equitable distribution proceeding.
 - Render unenforceable the terms of any otherwise valid and enforceable provisions in a premarital agreement, or promissory note given by one spouse to the other.
 - Affect any otherwise valid and enforceable lien or judgment.

EFFECTIVE DATE: This act is effective when it becomes law.

LAD Staff Attorney Kristen Harris substantially contributed to this summary.

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