



HOUSE BILL 866: Automatic Ord/Equitable Distribution Claim.

2025-2026 General Assembly

Committee:	House Judiciary 2. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 28, 2025
Introduced by:	Reps. Stevens, Budd	Prepared by:	Debbie Griffiths
Analysis of:	PCS to First Edition H866-CSCI-23		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute (PCS) to House Bill 866 would do the following:*

- *Require entry of an automatic order to prevent the waste, dissipation, or secreting of assets or increasing debts or other liabilities by either party at the time a claim for equitable distribution is filed.*
- *Allow the parties to utilize various financial accounts, assets, credit cards, or other lines of credit for the payment of customary and usual household expenses, reasonable attorney's fees for any claim filed under Chapter 50 of the General Statutes, and customary and usual expenses for the children.*
- *Prohibit either party from removing the other spouse or children from medical, hospital, or dental insurance coverage, or as a beneficiary of any life insurance policy.*
- *Require the Administrative Office of the Courts to develop a form for the automatic order which must be used by the Court.*
- *Amend G.S. 50-20(c) to include a party being held in contempt for violating the automatic order as a distributional factor to be considered by the court in awarding an unequal distribution to a party.*
- *Make conforming changes to G.S. 50-21.*

BILL ANALYSIS: The PCS to House Bill 866 would do the following:

Section 1.1 would create a new statute defining automatic order and establishing the procedure related to the automatic order. This includes the following:

- The automatic order would be a standing order entered by the court to prevent the waste, dissipation, or secreting of assets or increasing debt or other liabilities which is entered at the time an equitable distribution claim is filed in an action. The order must be entered on the form order to be created by the Administrative Office of the Courts (AOC).
- The automatic order would be immediately binding upon the person filing the equitable distribution claim and on the other party upon service of the order.
- The order could be modified, terminated, or amended by the court upon motion of a party or by consent of the parties or upon resolution of the equitable claim.

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- The automatic order would not replace, limit, or restrict other remedies or protections available to the parties including filing a *lis pendens* or filing for an injunction.

Section 1.2 would the AOC to develop a form for the automatic order by and have it available for use on its website by October 1, 2025.

Section 2.1 would allow the court to consider whether a party was held in contempt of court for violating the automatic order in determining whether an unequal division would be equitable.

Section 3.1 would amend G.S. 50-21(a) to require that the automatic order be entered upon the filing of an initial claim for equitable distribution and served as provided for in G.S. 50-23. It would also be amended to clarify that the court may enter additional orders as appropriate to prevent the disappearance, waste, or destruction of marital assets.

EFFECTIVE DATE: Sections 1.1, 2.1, and 3.1 would become effective October 1, 2025, and apply to actions or claims filed on or after that date. The remainder of the act would become effective when it becomes law.