



## GENERAL STATUTES COMMISSION

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### MEMORANDUM

**To:** Senate Rules and Operations of the Senate  
**From:** General Statutes Commission  
**Re:** HB 40 (Various GSC Recommendations)  
**Date:** June 11, 2025

#### General Comments

This bill enacts several recommendations of the General Statutes Commission. Parts I and II consist of technical corrections. Part III clarifies the use of electronic signatures in certain contexts. Part IV enacts the Uniform Child Abduction Prevention Act. Part V enacts Article 3 of the Uniform Unregulated Child Custody Transfer Act. Part VI provides for the effect that conveyances of real property between spouses have on certain marital property rights. Part VII enacts the Uniform Community Property Disposition at Death Act. Part VIII makes amendments to the Uniform Commercial Code relating to emerging technologies. Part IX enacts the Uniform Special Deposits Act. Part X is an effective date provision.

The Commission made these recommendations pursuant to its statutory duties under G.S. 164-13 to continuously research and recommend technical corrections and to consider proposed legislation from the Uniform Law Commission and other learned bodies.

**Part I** of the bill contains technical corrections to the General Statutes and session laws. Last session, the House passed House Bill 917, which contained many of these corrections. No opposition to this Part has been expressed to the Commission.

The technical corrections in this Part consist of updating obsolete references, fixing garbage language caused by past conflicting amendments, replacing legalese with plain English, making conforming changes, deleting obsolete, duplicative, or unnecessary language, making stylistic changes for greater clarity or consistency, fixing punctuation, misspellings, capitalization, and grammatical errors, making language gender-neutral, updating decades-old language to conform to existing practice, fixing the format of references, fixing relative pronouns, modernizing the format of lists, making changes to conform to this State's drafting conventions, codifying general and permanent language, correcting effective dates to reflect legislative intent, splitting up sentences for greater clarity, rewording terms for internal consistency, and organizing a section into subsections.

**Part II** of the bill contains technical corrections to the General Statutes and session laws. No opposition to this Part has been expressed to the Commission.

The technical corrections in this Part consist of fixing garbage language caused by past conflicting amendments, replacing legalese with plain English, making conforming changes, deleting obsolete, duplicative, or unnecessary language, making stylistic changes for greater clarity or consistency, fixing punctuation, capitalization, and grammatical errors, making language gender-neutral, fixing the format of references, modernizing the format of lists, making changes to conform to this State's drafting conventions, splitting up sentences or tabulating language for

greater clarity, rewording terms for greater consistency, recodifying a statute, fixing incorrect cross-references, and clarifying that a conveyance resulting in two or more persons owning property may create a tenancy in common or joint tenancy.

**Part III** of the bill clarifies the use of electronic signatures in certain contexts, pursuant to a review directed by the General Assembly in Section 5.5 of S.L. 2023-134. That provision directed the Commission to review all provisions in the General Statutes that require that documents have pen-and-ink signatures and authorized the Commission to recommend a bill to allow for both pen-and-ink and electronic signatures, where appropriate.

The General Statutes Commission published online all its drafts of this Part. No opposition to this Part has been expressed to the Commission.

The Commission reviewed the entire General Statutes and identified two statutes that currently allow for electronic signatures but that would benefit from some clarifying changes. (For more details about this review, please see the Commission's Report on Pen-and-Ink and Electronic Signatures to the General Assembly, dated April 5, 2024.) Section 43 of the bill clarifies that an electronic signature may be used in a business contract with a reciprocal attorneys' fees provision, and Section 44 of the bill clarifies that the Department of the Secretary of State may allow notary applications to be submitted electronically but that an initial application must be signed with pen and ink.

**Part IV** of the bill enacts the Uniform Child Abduction Prevention Act. The Uniform Child Abduction Prevention Act has been enacted in twenty jurisdictions, including South Carolina and Tennessee, and has been introduced this year in Oklahoma, Missouri, and West Virginia.

This Part incorporates comments from the North Carolina Sheriffs' Association and the Administrative Office of the Courts.

This Part gives courts a means to identify whether there is a credible risk of child abduction and the authority to order a wide variety of abduction prevention measures as follows: A court on its own motion may order abduction prevention measures in a child-custody proceeding, and a party to a child-custody determination or a person having a right to seek a child-custody determination may file a petition seeking abduction prevention measures. In determining whether there is a credible risk of child abduction, a court shall consider several factors, such as whether a party has previously attempted to abduct or threatened to abduct the child, has recently engaged in activities that may indicate a planned abduction, or has engaged in domestic violence, stalking, or child abuse or neglect. A court shall also consider factors relating to international abduction, such as whether a party is likely to take the child to a country that is not a party to or does not comply with the Hague Convention on the Civil Aspects of International Child Abduction.

A court may order a wide variety of abduction preventions measures, including imposing travel restrictions requiring that a party traveling with the child outside a designated geographical area share with the other party the child's travel itinerary, a list of physical addresses and telephone numbers at which the child can be reached, and copies of all travel documents. A court may also prohibit the respondent from removing the child from a designated geographic area without permission of the court or the petitioner's written consent and may require that the respondent obtain an order from a foreign country containing terms identical to the child-custody determination issued in this country. If there is a credible risk that the child is imminently likely

to be wrongfully removed, a court may also issue an ex parte warrant to take physical custody of the child.

**Part V** of this bill enacts Article 3 of the Uniform Unregulated Child Custody Transfer Act. Last biennium, the House passed Article 3 of the Uniform Unregulated Child Custody Transfer Act as House Bill 104. This Uniform Act has been enacted in Oklahoma, Colorado, Utah, and Washington and has been introduced this year in Texas, Missouri, and the District of Columbia. No opposition to this Part has been expressed to the Commission.

The purpose of this provision is to prevent unlawful transfers of custody of minors by better preparing adoptive parents for issues that may arise when caring for certain adopted minors. It requires adoption agencies to provide all of the following to prospective adoptive parents of minors who fall within the scope of the Part: general information about adoption, specific information about the minor, guidance and instruction on effectively meeting the needs of the minor, and, after placement for adoption, information about financial assistance and support services. This Part gives the Department of Health and Human Services authority to enforce the new provisions.

In addition to publishing all its drafts online, the General Statutes Commission circulated a draft to the Administrative Office of the Courts, North Carolina Bar Association, Department of Health and Human Services, Department of Justice, UNC School of Government, North Carolina Advocates for Justice, North Carolina Justice Center, and others.

**Part VI** of this bill, originally requested by the Real Property Section and Family Law Section of the North Carolina Bar Association, provides for the effect that conveyances of real property between spouses have on certain marital property rights. This Part provides that a spouse who conveys real property to another spouse may waive the right to take an elective life estate in the real property in the instrument of conveyance. However, a spouse who conveys real property to another spouse would not be permitted to waive a right to equitable distribution in the real property in the instrument of conveyance. A right to equitable distribution in real property would only be waivable in a separate instrument.

Last biennium, the Senate passed this Part as Senate Bill 112. No opposition to this Part has been expressed to the Commission.

In addition to publishing all its drafts online, the General Statutes Commission circulated a draft to the Administrative Office of the Courts, Conference of Clerks of Superior Court, Department of Justice, UNC School of Government, North Carolina Bar Association, North Carolina Advocates for Justice, North Carolina Justice Center, Legal Aid of North Carolina, and others.

**Part VII** of this bill enacts the Uniform Community Property Disposition at Death Act. Last biennium, the Senate passed this Part as Senate Bill 110. No opposition to this Part has been expressed to the Commission.

The Act revises and updates the Uniform Disposition of Community Property Rights at Death Act, which North Carolina enacted in 1981. Like current law, this Act preserves the community property character of property acquired by spouses while domiciled in a community property jurisdiction after they move to North Carolina; upon the death of one of the spouses, one half of the community property belongs to the surviving spouse and the other half is subject to disposition by the deceased spouse. This Act, however, is broader than current law and preserves other rights that the spouses would have had in the community property jurisdiction, such as a right to

reimbursement or a right associated with a monetary claim. This Act also accounts for nonprobate transfers, a practice that has increased in use over the past few decades. So far, Arkansas, the District of Columbia, Nebraska, and Colorado have enacted this Act.

In addition to publishing all its drafts online, the General Statutes Commission circulated a draft to the North Carolina Bar Association, Administrative Office of the Courts, Conference of Clerks of Superior Court, UNC School of Government, Department of Justice, North Carolina Advocates for Justice, North Carolina Justice Center, and other groups and individuals.

**Part VIII** of this bill enacts the latest round of amendments to the Uniform Commercial Code ("UCC"). These amendments were jointly promulgated by the Uniform Law Commission and American Law Institute in 2022. The UCC has been the law in every state since the 1970s and has been periodically updated over the decades. The General Assembly has customarily adopted all proposed amendments to the UCC for purposes of keeping it uniform with other states' laws.

These amendments to the UCC relate to emerging technologies and have so far been enacted in thirty jurisdictions, including Virginia and Georgia. This year, seven other states have introduced these amendments, including New York, Texas, and South Carolina.

The Business Law Section of the North Carolina Bar Association supports this Part, and no opposition to this Part has been expressed to the Commission.

This Part is organized into six Subparts:

- Subpart VIII-A adds a new Article 12 ("Controllable Electronic Records") to the UCC.
- Subpart VIII-B amends Article 9 ("Secured Transactions") of the UCC by making conforming changes and other amendments relating to emerging technologies.
- Subpart VIII-C amends Articles 1, 2, 2A, 3, 4A, 5, 7, and 8 of the UCC by making conforming changes and other amendments relating to emerging technologies.
- Subpart VIII-D makes additional conforming changes outside the UCC.
- Subpart VIII-E sets out transitional provisions.
- Subpart VIII-F directs the printing of drafters comments and provides an effective date for this Part.

In addition to publishing all its drafts online, the General Statutes Commission circulated a draft to the North Carolina Bar Association, North Carolina Creditors Bar Association, North Carolina Bankers Association, North Carolina Chamber, Department of the Secretary of State, Department of Justice, UNC School of Government, Center for Responsible Lending, North Carolina Advocates for Justice, North Carolina Justice Center, and others.

**Part IX** of the bill enacts the Uniform Special Deposits Act. This Act is an "opt in" statute, which allows a bank and its customer to decide whether the Act applies to a given deposit. Under the Act, a special deposit must be for a permissible purpose stated in an account agreement and must be for the benefit of at least two beneficiaries subject to a contingency. The Act clarifies (i) the treatment of a special deposit if a depositor goes bankrupt, (ii) the applicability of creditor process on a special deposit, and (iii) when a bank may exercise a right of recoupment or set off against a special deposit. Since its promulgation in 2023, nine states have enacted the Act, and six other U.S. jurisdictions have introduced the Act this year, including New York.

The General Statutes Commission incorporated into this Part comments from the North Carolina Office of the Commissioner of Banks. No opposition to this Part has been expressed to the Commission.

In addition to publishing all its drafts online, the Commission circulated a draft to the North Carolina Bankers Association, Carolinas Credit Union League, North Carolina Bar Association, North Carolina Creditors Bar Association, Center for Responsible Lending, North Carolina Land Title Association, Administrative Office of the Courts, Department of Justice, and other groups and individuals.

### **Specific Comments**

**Section 1** deletes or updates obsolete references to the archaic and obsolete doctrine of coverture. Section 1(a) repeals G.S. 1-18 as obsolete. Section 1(b) amends G.S. 29-30 as follows:

- In subsection (a), replaces "coverture" with "the marriage."
- In subsection (b), fixes punctuation, replaces legalese with plain English, makes stylistic changes for greater clarity, and splits up a sentence for greater clarity.
- In subsection (c), replaces legalese with plain English and removes unnecessary language.
- In subsection (c1), adds an internal cross-reference, makes a stylistic change for greater clarity, removes unnecessary language, and fixes punctuation.
- In subsection (c2), adds an internal cross-reference for greater clarity and fixes punctuation.
- In subsection (e), replaces legalese with plain English.
- In subsection (f), removes unnecessary language.
- In subsection (g), makes a word singular for greater consistency, replaces legalese with plain English, removes unnecessary language, and splits up a subdivision for greater clarity.
- In subsection (h), replaces legalese with plain English, removes unnecessary language, and fixes a relative pronoun.

Section 1(c) amends G.S. 50-11 as follows:

- In subsection (a), replaces legalese with plain English.
- In subsection (b), replaces "coverture" with "the marriage."
- In subsections (c) and (d), replaces legalese with plain English.
- In subsection (e), makes a change to conform to this State's drafting conventions, replaces legalese with plain English and fixes the format of a citation.
- In subsection (f), replaces legalese with plain English.

Section 1(d) amends G.S. 52-10 as follows:

- In subsection (a), replaces "coverture" with "marriage," replaces legalese with plain English, and tabulates language for greater clarity.
- In subsection (a1), fixes misspellings and replaces legalese with plain English.
- In subsection (b), replaces legalese with plain English, fixes punctuation, replaces "must" with "shall" to be more consistent with the rest of the section.
- In subsection (c), replaces legalese with plain English and fixes a relative pronoun.

**Section 2** amends G.S. 1-569.17(g), located in the Revised Uniform Arbitration Act, by replacing "protection of records" with "production of records" to be more consistent with the rest of the section and to conform to the Uniform Law Commission's version of the Act. This bill also replaces legalese with plain English in subsection (h).

**Section 3** amends G.S. 7B-2204(d) by deleting garbage language and other unnecessary language. S.L. 2021-180, s. 19C.9(ff), amended G.S. 7B-2204(d) without accounting for amendments to that subsection by S.L. 2021-123, s. 2. S.L. 2023-114, s. 4(e), later amended the subsection and also did not account for the amendments by S.L. 2021-123, s. 2. These conflicting amendments resulted in garbage language.

**Section 4** amends G.S. 14-113.7A by changing the term "credit card" to "financial transaction card" in a reference to a definition in G.S. 14-113.8. Chapter 1244 of the 1967 Session Laws enacted G.S. 14-113.7A and G.S. 14-113.8 to both use the term "credit card." Chapter 741 of the 1979 Session Laws changed the term "credit card" in G.S. 14-113.8 to "financial transaction card," but a conforming change to G.S. 14-113.7A was never made. This bill also replaces legalese with plain English and deletes unnecessary language.

**Section 5** repeals Article 15A ("Investigation of Offenses Involving Abandonment and Nonsupport of Children") of Chapter 15 of the General Statutes. This Article discusses an obsolete reporting requirement.

**Section 6** amends G.S. 58-6-25 by replacing legalese with plain English and fixing the format of a citation.

**Section 7** codifies permanent language in G.S. 58-50-130 and amends the statute as follows:

- In subsection (a), rearranges language for greater clarity, makes a stylistic change, deletes unnecessary language, replaces legalese with plain English, fixes the format of an internal citation, and replaces "must" with "shall" to be more consistent with the rest of the section.
- In subsection (b), adds a missing word, hyphenates words, fixes punctuation, and replaces legalese with plain English.
- In subsection (b1), fixes a relative pronoun.
- In subsections (f) and (g), replaces "Act" with "Article" for greater clarity.
- Repeals subsection (h) as obsolete.

Section 7(c) corrects a drafting error in S.L. 2015-281, which intended to amend G.S. 58-50-110. Section 7(d) provides that Section 7(c) is retroactively effective January 1, 2016, the effective date of the amendment in S.L. 2015-281.

**Section 8** was removed by the House.

**Section 9** amends Chapter 89E ("Geologists Licensing Act") as follows:

- In G.S. 89E-3(3), deletes unnecessary language, makes language gender-neutral, and makes a stylistic change.
- In G.S. 89E-3(5), makes language gender-neutral and makes a stylistic change.
- In G.S. 89E-3(9), makes language gender-neutral.

- In G.S. 89E-3(11), clarifies that a geologist-in-training is a subordinate of a licensed geologist.
- In G.S. 89E-4(c), makes a stylistic change.
- In G.S. 89E-6(1), deletes unnecessary language and makes stylistic changes.
- In G.S. 89E-6(4), makes a change to conform to the clarified definition of "subordinate," makes a stylistic change, replaces legalese with plain English, and makes language gender-neutral.
- In G.S. 89E-7(b)(2), replaces legalese with plain English and makes language gender-neutral.
- In G.S. 89E-7(b)(3), adjusts language to use a defined term, replaces legalese with plain English, makes language gender-neutral, and deletes unnecessary language.
- In G.S. 89E-8, makes language gender-neutral and fixes grammar.
- In G.S. 89E-9, deletes obsolete language, makes language gender-neutral, and updates a term.
- In G.S. 89E-11, makes language gender-neutral.
- In G.S. 89E-13, clarifies an ambiguous reference, adds an Oxford comma, replaces legalese with plain English, makes a change to conform to the rest of the section, makes language gender-neutral, and makes stylistic changes.
- In G.S. 89E-14, makes a stylistic change.
- In G.S. 89E-18, modernizes the format of a list, makes language gender-neutral, fixes punctuation, deletes unnecessary language, makes stylistic changes, replaces legalese with plain English, and clarifies an ambiguous reference.
- In G.S. 89E-19, makes a stylistic change.
- In G.S. 89E-22 and G.S. 89E-24, makes language gender-neutral.

**Section 10** amends G.S. 90A-53(a) to fix garbage language. Both S.L. 2023-65, s. 9.1(a), and S.L. 2023-90, s. 10.1(b), amended G.S. 90A-53 but did not account for each other. This bill also fixes punctuation and replaces legalese with plain English in subsection (a), and, in subsection (b), replaces legalese with plain English and fixes the format of an internal citation.

**Section 11** repeals Article 3 ("Control over Child Caring Facilities") of Chapter 110 of the General Statutes. This Article is obsolete; its main provisions were last amended in 1917.

**Section 12** amends G.S. 110-130 by making language gender-neutral, organizing the section into two subsections, making stylistic changes, clarifying ambiguous language, modernizing language, fixing punctuation, deleting unnecessary language, replacing legalese with plain English, and splitting up a sentence for greater clarity.

**Section 13(a)** amends G.S. 115C-284 as follows:

- In subsection (a), deletes an unnecessary reference.
- Deletes subsection (b), which is duplicative of subsection (a).
- Moves language from subsection (h) to subsection (e) and makes technical changes to this language, such as replacing legalese with plain English and deleting unnecessary words. The bill also makes stylistic changes and deletes other unnecessary language in subsection (e).
- In subsection (f) and (g), replaces legalese with plain English.

**Section 13(b)** amends G.S. 115C-299 by deleting duplicative language, making a stylistic change, deleting an unnecessary reference, and replacing legalese with plain English.

**Section 13(c)** repeals G.S. 115C-315(a), which is duplicative of subsection (b) of that section.

**Section 13(d)** amends G.S. 115C-315(b) by deleting an unnecessary reference and obsolete language.

**Section 14** amends G.S. 116-30.2 and G.S. 126-85 to conform to the repeal of G.S. 120-76 by S.L. 2023-134, s. 27.10(a). Section 14(a) replaces a reference to the repealed statute with a reference to G.S. 120-76.1, the corresponding successor statute, and replaces legalese with plain English. Section 14(b) replaces a reference to the repealed statute with a reference to G.S. 120-75.1, the corresponding successor statute, adds Oxford commas, fixes a relative pronoun, and replaces legalese with plain English.

**Section 15** amends G.S. 116-209.28 by updating the term for the North Carolina Principal Fellows Trust Fund to conform to Section 3.4(d) of S.L. 2022-71. The bill also deletes an unnecessary date.

**Section 16** repeals G.S. 121-42. This section is duplicative of G.S. 121-34, which is located at the beginning of the same Article.

**Section 17** authorizes the Revisor of Statutes to recodify definitions so that they appear in alphabetical order and recodifies certain definitions to appear in alphabetical order.

**Section 18** amends G.S. 128-28, G.S. 153A-93, and G.S. 160A-163 by updating obsolete references to the Firemen's Pension Fund or Firemen's and Rescue Squad Workers' Pension Fund. The current name of the fund in Article 86 of Chapter 58 of the General Statutes is the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund. Chapter 1420 of the 1957 Session Laws established the North Carolina Firemen's Pension Fund. Chapter 1029 of the 1981 Session Laws renamed the fund the North Carolina Firemen's and Rescue Squad Workers' Pension Fund. S.L. 2013-284 renamed the fund as the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund, which is the current name.

The bill also makes additional technical changes in these three statutes and makes parallel technical changes in G.S. 135-6, which is very similar to G.S. 128-28. The Department of State Treasurer requested the changes to G.S. 135-6. The additional technical changes are as follows:

- In G.S. 128-28(a), replaces legalese with plain English.
- In G.S. 128-28(b), replaces legalese with plain English and adds Oxford commas.
- In G.S. 128-28(c), fixes punctuation, makes stylistic changes, replaces legalese with plain English, and fixes a relative pronoun.
- In G.S. 128-28(e), makes language gender-neutral, replaces legalese with plain English, makes stylistic changes, changes a term to be more consistent with the rest of the section, and clarifies an ambiguous reference.
- In G.S. 128-28(f) and (f1), replaces legalese with plain English.
- In G.S. 128-28(g), updates terms, deletes unnecessary language, and fixes a relative pronoun.
- In G.S. 128-28(h), adds an Oxford comma, deletes unnecessary language, and replaces legalese with plain English.



- In G.S. 128-28(i), replaces legalese with plain English and fixes punctuation.
- In G.S. 128-28(j), fixes a relative pronoun.
- In G.S. 128-28(k), replaces legalese with plain English.
- In G.S. 128-28(l), capitalizes language, deletes unnecessary language, replaces legalese with plain English, makes a stylistic change, and fixes a grammatical error.
- In G.S. 128-28(m), replaces legalese with plain English, deletes unnecessary language, makes stylistic changes, and clarifies an ambiguous reference.
- Repeals G.S. 128-28(n) as obsolete.
- In G.S. 128-28(o), deletes unnecessary language, replaces legalese with plain English, adds an Oxford comma, and fixes a grammatical error.
- In G.S. 128-28(p), deletes an unnecessary word.
- In G.S. 128-28(q), deletes unnecessary language, adds Oxford commas, fixes a grammatical error, replaces legalese with plain English, makes stylistic changes, and makes language gender-neutral.
- In G.S. 128-28(r), modernizes the format of a list, fixes a relative pronoun, and deletes unnecessary language.
- In G.S. 128-28(s), replaces legalese with plain English and fixes punctuation.
- In G.S. 128-28(u), replaces legalese with plain English, makes a stylistic change, and fixes a grammatical error.
- In G.S. 135-6(a), deletes unnecessary or obsolete language, replaces legalese with plain English, removes quotation marks, and adds an Oxford comma.
- In G.S. 135-6(b), replaces "Neither . . . may" with "Neither . . . shall" in accordance with this State's drafting conventions.
- In G.S. 135-6(d), makes language gender-neutral, replaces legalese with plain English, changes a term to be more consistent with the rest of the section, and deletes an unnecessary word.
- In G.S. 135-6(e) and (e1), replaces legalese with plain English.
- In G.S. 135-6(f), updates terms, deletes unnecessary language, and fixes a relative pronoun.
- In G.S. 135-6(g), deletes unnecessary language and replaces legalese with plain English.
- In G.S. 135-6(h), replaces legalese with plain English and fixes punctuation.
- In G.S. 135-6(i), fixes a relative pronoun.
- In G.S. 135-6(j), replaces legalese with plain English.
- In G.S. 135-6(k), capitalizes language, deletes unnecessary language, replaces legalese with plain English, makes a stylistic change, and fixes a grammatical error.
- In G.S. 135-6(l), replaces legalese with plain English, deletes unnecessary language, makes stylistic changes, and clarifies an ambiguous reference.
- Repeals G.S. 135-6(m) as obsolete.
- In G.S. 135-6(n), deletes unnecessary language, replaces legalese with plain English, adds an Oxford comma, and fixes a grammatical error.
- In G.S. 135-6(o), deletes an unnecessary word.
- In G.S. 135-6(p), deletes unnecessary language, adds Oxford commas, fixes a grammatical error, replaces legalese with plain English, makes stylistic changes, and makes language gender-neutral.
- In G.S. 135-6(q), modernizes the format of a list, makes a stylistic change, and deletes unnecessary language.
- In G.S. 135-6(r), replaces legalese with plain English and fixes punctuation.
- In G.S. 135-6(t), replaces legalese with plain English, makes a stylistic change, and fixes a grammatical error.

- In G.S. 153A-93(a), replaces legalese with plain English.
- In G.S. 153A-93(b), replaces "No . . . may" with "No . . . shall" in accordance with this State's drafting conventions.
- In G.S. 153A-93(d), fixes a relative pronoun and replaces legalese with plain English.
- In G.S. 153A-93(d1), deletes an unnecessary date, fixes a relative pronoun, and replaces legalese with plain English.
- In G.S. 153A-93(d2), replaces legalese with plain English and replaces "may not" with "shall not" in accordance with this State's drafting conventions.
- In G.S. 153A-93(e), makes a stylistic change, replaces legalese with plain English, and deletes unnecessary language.
- In G.S. 160A-163(a), fixes punctuation and replaces legalese with plain English.
- In G.S. 160A-163(b), replaces legalese with plain English and deletes unnecessary language.
- In G.S. 160A-163(e), fixes a relative pronoun and replaces legalese with plain English.
- In G.S. 160A-163(f), makes a stylistic change, replaces legalese with plain English, and deletes unnecessary language.
- In G.S. 160A-163(g), makes stylistic changes, fixes relative pronouns, and replaces legalese with plain English.

**Section 19** recodifies language authorizing the Governor to give Medal of Valor Awards into a new section of a new article of Chapter 140A of the General Statutes. This chapter is a better location for this language. To accommodate this recodification, the bill also divides up Chapter 140A into two articles and makes conforming changes. It also incorporates similar language authorizing the Lieutenant Governor to give Medal of Valor Awards into the new section and makes stylistic changes. In addition, the bill updates decades-old language relating to the NC Awards Committee to conform to existing practice and deletes obsolete language.

**Section 20** amends G.S. 143-63.1 to fix an incorrect reference in subsection (d) and makes the following additional technical corrections:

- In the catchline, adds an Oxford comma.
- In subsection (a), replaces legalese with plain English, adds Oxford commas, makes language gender-neutral, and removes the hyphen in "law-enforcement agency" for internal consistency.
- In subsection (b), replaces legalese with plain English, makes stylistic changes, and fixes punctuation.
- In subsection (c), replaces legalese with plain English.
- In subsection (d), removes unnecessary language, replaces legalese with plain English, makes a stylistic change, and fixes capitalization.

**Section 21** deletes obsolete references to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund established by G.S. 143-215.94D, which was repealed by S.L. 2015-241, s. 14.16A, and other related obsolete language as follows:

- Repeals G.S. 143-215.94A(5) (definition of obsolete Groundwater Protection Loan Fund), G.S. 143-215.94B(b)(6) (provision related to obsolete Groundwater Protection Loan Fund), G.S. 143-215.94B(b)(12) (provision related to certain claims made prior to July 1, 2016), G.S. 143-215.94F (provision related to certain reports prior to October 1, 1989), and

G.S. 143-215.94P (provision related to obsolete Groundwater Protection Loan Fund for which all applications must be received prior to January 1, 1995).

- Clarifies the definitions of "commercial underground storage tank" and "noncommercial underground storage tank" in G.S. 143-215.94A, including providing that "commercial underground storage tank" specifically excludes "noncommercial underground storage tank." The bill also modernizes the format of lists.
- In G.S. 143-215.94A(2a), deletes an obsolete reference to the Noncommercial Fund.
- In G.S. 143-215.94E(b1), adds language to introduce a list.
- In G.S. 143-215.94E(e), makes stylistic changes and deletes references to the Noncommercial Fund. The bill also makes a conforming change requested by the North Carolina Petroleum and Convenience Marketers Association.
- In G.S. 143-215.94E(e1), makes a stylistic change, makes changes to conform to the repeal of the Noncommercial Fund, and deletes unnecessary language.
- In G.S. 143-215.94E(e5), deletes obsolete references to the Noncommercial Fund, replaces legalese with plain English, and makes stylistic changes.
- In G.S. 143-215.94E(g), replaces "appropriate fund" with "Commercial Fund" to conform to the repeal of the Noncommercial Fund.
- In G.S. 143-215.94E(j), deletes an extraneous word.
- In G.S. 143-215.94G, makes changes to conform to the repeal of the Noncommercial Fund.
- In G.S. 143-215.94V(a), deletes obsolete references to the Noncommercial Fund.
- In G.S. 143-215.94V(c), deletes obsolete references to repealed subsections.
- In G.S. 143-215.94V(e), (e1), and (h), deletes obsolete references to the Noncommercial Fund.
- In G.S. 143B-426.40A(l), shortens the subsection catchline and deletes an obsolete reference to the Noncommercial Fund.

**Section 22** repeals Article 29A ("Governor's Council on Employment of the Handicapped") of Chapter 143 of the General Statutes as obsolete. This article discusses the "National Employ the Physically Handicapped Week"; however, in 1988, the U.S. Congress expanded this week to the entire month of October and changed the name to the National Disability Employment Awareness Month.

**Section 23** amends G.S. 144-9(b) by deleting garbage language, specifically the word "Department." When S.L. 2021-180, s. 37.9(a), amended G.S. 144-9(b), it did not account for the recent amendments by S.L. 2021-88, s. 14(b).

**Section 24** updates obsolete references to former G.S. 150B-36, which was repealed by S.L. 2011-398, s. 20. That session law provided that an administrative law judge, not the agency, shall make a final decision in a contested case under Article 3 of Chapter 150B of the General Statutes. Section 24(a) recodifies to a more suitable location language in G.S. 150B-37(c) requiring the Office of Administrative Hearings to forward a written copy of an administrative law judge's final decision to the parties. Section 24(b) amends G.S. 150B-34 by making a change to be more consistent with the rest of the section and replacing legalese with plain English. The rest of the section updates language to conform to the repeal of G.S. 150B-36 and the recodification of G.S. 150B-37(c) and makes other technical changes as follows:

- In G.S. 90A-30(a), fixes a relative pronoun and replaces legalese with plain English.
- In G.S. 90A-30(b), replaces legalese with plain English.

- In G.S. 90A-30(c), modernizes the format of a list, replaces legalese with plain English, and makes conforming changes.
- In G.S. 104E-24(a), modernizes the format of a list, clarifies an ambiguous reference, and makes a stylistic change.
- In G.S. 104E-24(b), replaces legalese with plain English.
- In G.S. 104E-24(c), replaces legalese with plain English and fixes an incorrect reference.
- In G.S. 104E-24(d), replaces legalese with plain English, adds a missing word, modernizes the format of a list, and makes conforming changes.
- In G.S. 108A-70.9A(f), G.S. 108A-70.9B(g), and G.S. 108D-16, makes conforming changes.
- In G.S. 122C-24, makes a word plural and deletes obsolete language.
- In G.S. 122C-24.1, G.S. 131D-34, and G.S. 131E-129(f), replaces legalese with plain English, modernizes the format of a list, and makes conforming changes.
- In G.S. 143-215.94G(a), rearranges language for greater clarity and deletes language that is unnecessary in light of subsection (a2) of the section.
- In G.S. 143-215.94G(a1), replaces legalese with plain English.
- In G.S. 143-215.94G(b), replaces "may not" with "shall not" in accordance with this State's drafting conventions.
- In G.S. 143-215.94G(d), modernizes the format of a list and makes stylistic changes.
- In G.S. 143-215.94G(e), changes punctuation in accordance with this State's drafting conventions.
- In G.S. 143-215.94G(g), fixes a relative pronoun.
- In G.S. 143-215.94G(h), fixes the format of a list.
- In G.S. 143-215.94G(j), replaces "may not" with "shall not" in accordance with this State's drafting conventions and makes conforming changes.

**Section 25** moves the last sentence of subsection (d) of G.S. 160D-1311 to a new subsection (g) of that section. Moving this sentence to become its own subsection clarifies that the entire section is subject to G.S. 153A-149. This sentence originated from former G.S. 153A-376, where it was its own subsection. This bill also replaces legalese with plain English in this sentence and makes the following additional technical changes:

- In subsections (a), (b), and (c), replaces legalese with plain English.
- In subsection (d), replaces legalese with plain English and splits up a sentence for clarity.
- In subsections (e) and (f), replaces legalese with plain English.

**Section 26** amends G.S. 168-11 by reorganizing the statute for greater clarity, removing an obsolete reference, replacing legalese with plain English, and removing unnecessary language.

**Section 27** clarifies the State-County Special Assistance Program payment rates. Current law provides a January 31, 2023, effective date for G.S. 108A-42.1 ("State-County Special Assistance Program payment rates"), which is after the initial cost-of-living adjustment date of January 1, 2023. This bill amends the statute to incorporate the January 1, 2023, adjustment and changes its effective date to January 1, 2023.

**Section 28** amends two contingent effective dates associated with the previous section of the bill by eliminating an unnecessary requirement and shifting them by 30 days. The effective dates are contingent on the Department of Health and Human Services ("DHHS") obtaining approval from:

- The federal Social Security Administration (SSA) to allow eligible individuals residing in in-home living arrangements to qualify for State-County Special Assistance under the Social Security Optional State Supplement Program in the same manner as individuals residing in adult care homes or special care units.
- The federal Centers for Medicare and Medicaid Services (CMS) for a State Plan amendment to add Medicaid coverage for individuals residing in in-home living arrangements who qualify for State-County Special Assistance under the Social Security Optional State Supplement Program.

SSA informed DHHS that SSA's approval was not necessary, and CMS gave DHHS its approval, effective January 1, 2023. This bill amends the effective dates and related language to reflect the SSA's position and ties the effective dates to the date of CMS's approval (January 1, 2023), instead of 30 days after this date. A January 1, 2023, effective date better accommodates the annual cost-of-living adjustment of the State-County Special Assistance Program payment rates.

**Part II** of the bill consists of additional technical corrections:

**Section 29** updates terminology throughout the General Statutes to conform to this State's drafting conventions of using the terms "email," "internet," "website," and "rulemaking."

**Section 30** amends G.S. 14-288.9 as follows:

- In the section catchline, changes a term to mirror the term used in the statute.
- In subsection (a), changes a term for greater clarity, adds clarifying language, modernizes the format of a list, and deletes unnecessary language.
- In subsection (b), adds clarifying language, makes language gender-neutral, changes language to achieve subject-pronoun agreement, and changes a definite article to an indefinite article.
- In subsection (c), makes a stylistic change for greater clarity.
- In subsection (d), makes stylistic changes for greater clarity and replaces legalese with plain English.
- In subsections (e) and (f), makes a stylistic change for greater clarity.

**Section 31(a)** amends G.S. 15A-145.5 as follows:

- In subsection (a), adds clarifying language, deletes unnecessary language, and rewords for greater accuracy.
- In subsection (c), fixes punctuation, adds lead-in language to a list, adds clarifying language, and deletes unnecessary language.
- In subsection (c1), adds clarifying language, deletes unnecessary language, replaces legalese with plain English, adds tabulation for greater clarity, fixes a typographical error in the statute (from "on" to "or"), makes stylistic changes for greater clarity, and fixes punctuation.
- In subsection (c2), deletes unnecessary language, changes a term for greater internal consistency, fixes punctuation, fixes a relative pronoun, and makes language gender-neutral.
- In subsection (c3), deletes unnecessary language, changes a term for greater internal consistency, fixes punctuation, fixes a relative pronoun, and makes a stylistic change for greater clarity.
- In subsection (c4), makes stylistic changes for greater clarity and fixes punctuation.

- In subsection (d), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.
- In subsection (d1), deletes unnecessary language.
- In subsection (d2), adds clarifying language and deletes unnecessary language.
- In subsection (d3), replaces legalese with plain English.
- In subsection (e), adds clarifying language, deletes unnecessary language and replaces legalese with plain English.
- In subsection (f), deletes unnecessary language, changes a definite article to an indefinite article, changes a term for greater internal consistency, rewords for greater clarity, and replaces legalese with plain English.
- In subsection (g), changes a term for greater internal consistency and adds language for greater clarity.

**Section 31(b)** amends G.S. 15A-145 as follows:

- In the section catchline, rewords to better reflect the content of the statute.
- In subsection (a), deletes unnecessary language and makes language gender-neutral.
- In subsection (b1), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.

**Section 31(c)** amends G.S. 15A-145.1 as follows:

- In the catchline, rewords to better reflect the content of the statute.
- In subsection (a), deletes unnecessary language.
- In subsection (b1), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.

**Section 31(d)** amends G.S. 15A-145.2 as follows:

- In subsection (a), deletes unnecessary language.
- In subsection (a1), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.

**Section 31(e)** amends G.S. 15A-145.3 as follows:

- In subsection (a), deletes unnecessary language.
- In subsection (b1), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.

**Section 31(f)** amends G.S. 15A-145.4 as follows:

- In subsection (c), deletes unnecessary language.
- In subsection (f), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.

**Section 31(g)** amends G.S. 15A-145.6 as follows:

- In subsection (c), deletes unnecessary language.
- In subsection (g), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.

**Section 31(h)** amends G.S. 15A-145.7 as follows:

- In subsection (a), deletes unnecessary language.
- In subsection (b), deletes unnecessary language by cross-referencing to a statute that applies throughout the Article.

**Section 31(i)** amends G.S. 15A-145.8 to delete unnecessary language in subsection (a) by cross-referencing to a statute that applies throughout the Article.

**Section 31(j)** amends G.S. 15A-145.8A to delete unnecessary language in subsection (f) by cross-referencing to a statute that applies throughout the Article.

**Section 31(k)** amends G.S. 15A-145.9 to delete unnecessary language in subsection (g) by cross-referencing to a statute that applies throughout the Article.

**Section 31(l)** amends G.S. 15A-146 to delete unnecessary language in subsection (a3) by cross-referencing to a statute that applies throughout the Article.

**Section 31(m)** amends G.S. 15A-147 to delete unnecessary language in subsection (b) by cross-referencing to a statute that applies throughout the Article.

**Section 31(n)** amends G.S. 15A-149 to delete unnecessary language in subsection (c) by cross-referencing to a statute that applies throughout the Article.

**Section 31(o)** amends G.S. 15A-153 as follows:

- In subsection (a), changes a term for greater internal consistency within the statute.
- In subsection (b), rewords for greater clarity and internal consistency within the subsection.

**Section 31.1** amends G.S. 41-71 to clarify that a conveyance resulting in two or more persons owning property may create a tenancy in common or joint tenancy. Many joint tenancy deeds are from the grantor to just one grantee so that the grantor and the grantee own property as joint tenants. This provision is intended to validate those deeds. Before the rewrite of the joint tenancy law by S.L. 2020-50, former G.S. 41-2 contained similar language. The bill also replaces legalese with plain English. This section is retroactively effective June 30, 2020, the effective date of S.L. 2020-50.

**Section 32** amends G.S. 48-3-309 as follows:

- In the section catchline, deletes unnecessary language and conforms language to the rest of the section.
- In subsection (b), deletes an extraneous word "histories." When S.L. 2007-276, s. 9, amended this provision, it omitted but did not strike through that word, thus leaving it in.
- In subsection (d), fixes the format of an internal citation.
- In subsection (g), replaces legalese with plain English.
- In subsection (h), deletes language that is redundant of language in subsection (c). This bill also deletes an unnecessary word, replaces "authorized" with "required" to conform to the rest of the section, and makes a stylistic change to a reference to the Division of Social Services.

**Section 33(a)** amends G.S. 58-36-43 as follows by deleting garbage language caused by conflicting amendments. S.L. 2023-133, s. 16(b), amended G.S. 58-36-43(a) but set out an earlier version of the statute that did not reflect any of the amendments by S.L. 2022-46, s. 11. The S.L. 2023-133 amendments had a delayed effective date (January 1, 2025), which has since been moved to July 1, 2025, by S.L. 2024-29, s. 9(b). The S.L. 2022-46 amendments and the S.L. 2023-133 amendments conflict in one sentence. S.L. 2022-46 amended a sentence that began "Neither the acceptance, renewal of a policy, nor any underwriting rating criteria . . ." and S.L. 2023-133 deleted that sentence. Consequently, there is garbage language at the end of the first paragraph that reads "dwelling, residential private flood[.]" The bill also makes additional technical changes as follows:

- Makes changes to the section catchline to conform to the rest of the section.
- Shortens language and makes stylistic changes for greater clarity and makes a conforming change in the last paragraph of subsection (a), which was added by S.L. 2023-133.

**Section 33(b)** provides that this section becomes effective July 1, 2025, which is the effective date of the amendments by S.L. 2023-133.

**Section 34(a)** amends Part 1 of Article 45 of Chapter 66 of the General Statutes as follows:

- Throughout the Part, replaces "cash converters" with "currency converters" to conform to S.L. 2013 410, s. 26. That provision directed the Revisor of Statutes to replace all instances of "cash converter" with "currency converter." However, there were a few instances of "cash converters" that were not changed at the time because they did not fall within the scope of the instruction.
- In G.S. 66-386, shortens language for greater clarity and fixes punctuation and grammar.

**Section 34(b)** amends G.S. 25-9-201 to conform to the replacement of "cash converters" with "currency converters." This bill also fixes capitalization in subsection catchlines, fixes a relative pronoun, deletes unnecessary language, modernizes the format of a list, and makes a stylistic change for greater clarity.

**Section 35(a)** and **(b)** amends G.S. 75D-3, the definitions section for Chapter 75D ("Racketeer Influenced and Corrupt Organizations") of the General Statutes, as follows:

- Throughout the section, renumbers its subunits to conform to the General Statutes, reorders the definitions so that they appear in alphabetical order, and modernizes the format of the definitions.
- In subdivision (1), makes language-gender neutral.
- In subdivision (2), replaces legalese with plain English.
- In subdivision (4), makes a conforming change to the renumbering and reordering.
- In subdivision (6), makes stylistic changes for greater clarity.
- In subdivision (7), replaces legalese with plain English.
- In subdivision (8), deletes unnecessary language, fixes a relative pronoun, replaces legalese with plain English, modernizes the format of a list, deletes references to repealed provisions, fixes the format of citations, and moves language for greater clarity.
- In subdivision (9), make stylistic changes for greater clarity and replaces legalese with plain English.



- In subdivision (11), modernizes the format of a list, makes stylistic changes, fixes a relative pronoun, fixes a preposition, replaces legalese with plain English, clarifies an ambiguous reference, and collapses a tabulated list to avoid setting out two lists in the same subunit.

**Section 35(c)** amends G.S. 75D-5 as follows:

- In subsection (b), replaces legalese with plain English and deletes unnecessary language.
- In subsection (c), replaces legalese with plain English.
- In subsection (d), deletes unnecessary language, makes stylistic changes for greater clarity, and makes a change to conform to the renumbering of G.S. 75D-3.
- In subsection (e), modernizes the format of a list, deletes unnecessary language, and fixes punctuation.
- In subsection (f), replaces legalese with plain English, makes language gender-neutral, and makes a stylistic change for greater clarity.
- In subsection (g), deletes unnecessary language and makes a stylistic change for greater clarity.
- In subsection (h), makes stylistic changes for greater clarity, fixes punctuation, replaces legalese with plain English, fixes relative pronouns, and fixes spelling.
- In subsection (i), replaces legalese with plain English, fixes a relative pronoun, makes a stylistic change for greater clarity, and fixes a citation.
- In subsection (j), fixes punctuation, replaces legalese with plain English, deletes unnecessary language, makes stylistic changes for greater clarity, fixes relative pronouns, makes a change to conform terminology, and replaces "must" with "shall" to conform to the rest of the section.
- In subsection (k), makes a stylistic change for greater clarity, deletes unnecessary language, and fixes the format of an internal citation.
- In subsection (l), fixes the format of lists, makes stylistic changes for greater clarity, splits up sentences, deletes unnecessary language, and fixes punctuation.

**Section 35(d)** amends G.S. 75D-8 as follows:

- In subsection (a), modernizes the format of a list, makes stylistic changes for greater clarity, makes language gender-neutral, makes changes to conform terminology, fixes punctuation, and deletes unnecessary language, shortens language for greater clarity, replaces "within this State" with "in this State" in accordance with this State's drafting conventions, and clarifies an ambiguous reference.
- In subsection (b), replaces legalese with plain English.
- In subsection (c), makes stylistic changes for greater clarity, fixes relative pronouns, replaces legalese with plain English, fixes punctuation, fixes the format of a citation, replaces "must" with "shall" to conform to the rest of the section, and fixes the format of a list.
- In subsection (d), makes stylistic changes for greater clarity, replaces legalese with plain English, and replaces "must" with "shall" to conform to the rest of the section.
- In subsection (e), makes a stylistic change for greater clarity, deletes language that is unnecessary because of a defined term, and replaces legalese with plain English.
- In subsection (f), makes stylistic changes for greater clarity, makes changes to conform to the renumbering of G.S. 75D-3, fixes punctuation, and deletes unnecessary language.

**Section 35(e)** provides that this section is effective when it becomes law and applies to actions or proceedings commenced on or after that date.

**Section 35.1** repeals as obsolete Article 5 of Chapter 77 of the General Statutes. This Article, which was enacted by Chapter 355 of the 1993 Session Laws, authorized the creation of a High Rock Lake Marine Commission. It appears that this Commission was never formed.

**Section 36** amends G.S. 85B-1 as follows:

- Throughout the section, reorders definitions so that they appear in alphabetical order, modernizes the format of the definitions, and uses the phrase "[t]his term" when elaborating on a definition in accordance with this State's drafting conventions.
- In the introductory language, fixes punctuation and replaces legalese with plain English.
- In subdivision (1), makes a stylistic change for greater clarity.
- In subdivision (3), makes a stylistic change for greater clarity, tabulates a list for greater clarity, and fixes punctuation.
- In subdivision (4), splits up a sentence and makes a stylistic change for greater clarity.
- In subdivision (6), replaces legalese with plain English.
- In subdivision (7), makes a stylistic change for greater clarity.
- In subdivision (10), tabulates a list for greater clarity, replaces legalese with plain English, deletes unnecessary language, adds commas, and shortens language, and makes a stylistic change for greater clarity.

**Section 36.1** deletes references in G.S. 105-390.2(j) and G.S. 105-390.5(b) to former G.S. 115C-105.47, which was repealed by S.L. 2011-145, s. 7.13(z). Former G.S. 115C-105.47 provided for local school safe plans; it does not appear that there is a successor statute. This section also makes additional technical changes as follows:

- In G.S. 105-390.2(a), replaces "must" with "shall" to be more consistent with the rest of the statute, deletes unnecessary language, and updates terminology.
- In G.S. 105-390.2(d) and (f), replaces legalese with plain English.
- In G.S. 105-390.2(h), splits up a sentence for greater clarity.
- In G.S. 105-390.2(i) and (l), replaces legalese with plain English.
- In G.S. 105-390.2(m), deletes unnecessary language.
- In G.S. 105-390.5(a), replaces legalese with plain English and deletes unnecessary language.

**Section 37** fixes the designation of G.S. 128-26A, which does not conform to the General Statutes numbering system.

**Section 38(a)** amends G.S. 131A-3 as follows:

- Throughout the section, modernizes the format of definitions, reorders the definitions so that they appear in alphabetical order, and replaces legalese with plain English.
- In the definitions of "cost" and "health care facilities," tabulates language for greater clarity and deletes unnecessary or obsolete language.

**Section 38(b)** amends G.S. 143B-181.16 as follows:

- Throughout the section, modernizes the format of definitions and replaces legalese with plain English.
- In the definition of "long-term care facility," deletes a reference to a definition that does not exist.

- Replaces the definitional term of "willful interference" with "willful or unnecessary obstruction," which is the term used in G.S. 143B-181.25.

**Section 39.1(a)** through **(c)** amends G.S. 131E-176 to reorder the definitions so that they appear in alphabetical order and instructs the Revisor of Statutes to make conforming changes to cross-references where needed.

**Section 39.2(a)** amends G.S. 131E-176, as amended by Section 39.1 of the bill, as follows:

- In subdivision (1), fixes a relative pronoun.
- In subdivision (1b), replaces terms for greater internal consistency, replaces legalese with plain English, and fixes relative pronouns.
- In subdivision (1c), fixes a relative pronoun.
- In subdivision (2), replaces legalese with plain English, makes a stylistic change for greater clarity, and deletes a redundant term.
- In subdivision (2d), makes punctuation internally consistent within the statute, fixes a relative pronoun, and fixes punctuation.
- In subdivision (3), fixes a relative pronoun.
- In subdivision (5), makes stylistic changes for greater clarity and fixes punctuation.
- In subdivision (5c), fixes a relative pronoun and fixes punctuation.
- In subdivision (7), fixes a relative pronoun and replaces legalese with plain English.
- In subdivision (7a), fixes a relative pronoun, fixes subject-verb agreement, replaces legalese with plain English, and deletes obsolete language.
- In subdivision (7c), fixes a relative pronoun.
- In subdivision (7e), fixes relative pronouns, replaces a federal public law citation with the United States Code citation, and replaces legalese with plain English.
- In subdivision (9a), replaces legalese with plain English and deletes a redundant term.
- In subdivision (9b), adds clarifying language and replaces a conjunction for greater clarity.
- In subdivision (9c), fixes little Roman numerals to achieve sequential order.
- In subdivision (12), fixes a relative pronoun.
- In subdivision (12a), deletes unnecessary language, fixes punctuation, fixes relative pronouns, replaces a term to use the defined term in the statute, and replaces legalese with plain English.
- In subdivision (13a), fixes a relative pronoun and related punctuation.
- In subdivision (13b), fixes relative pronouns, makes a citation to a definition less specific, and rewords for greater accuracy.
- In subdivisions (13c) and (13d), fixes a relative pronoun.
- In subdivision (14a), fixes punctuation.
- In subdivision (14e), adds clarifying language and fixes punctuation.
- In subdivision (14f), modernizes the format of a definition and modernizes the format of a list.
- In subdivision (14k), adds clarifying language and fixes punctuation.
- In subdivision (14n), replaces a term for greater internal consistency within the statute.
- In subdivision (14o), fixes relative pronouns, deletes a redundant term, and deletes obsolete language.
- In subdivision (15b), makes punctuation internally consistent within the statute.
- In subdivision (16), makes stylistic changes for greater clarity, fixes relative pronouns, deletes unnecessary language, replaces legalese with plain English, deletes obsolete

language, adds lead-in language to a list, fixes punctuation, and replaces a reference to a date with the date certain.

- In subdivision (17a), fixes punctuation and fixes relative pronouns.
- In subdivision (20), replaces a term for greater internal consistency within the statute.
- In subdivision (21), fixes a relative pronoun.
- In subdivision (22), fixes a relative pronoun and deletes unnecessary language.
- In subdivision (22a), fixes a relative pronoun, fixes punctuation, replaces legalese with plain English, and deletes obsolete language.
- In subdivision (24a), fixes a relative pronoun.
- In subdivision (25), fixes punctuation and moves legal directives from the definition to a new G.S. 131E-176.2.

**Section 39.2(b)** adds a new G.S. 131E-176.2, consisting of language stricken from G.S. 131E-176(25), so that G.S. 131E-176, a definitions section, no longer contains legal directives.

**Section 39.2(c)** amends G.S. 131E-177 to fix punctuation, replace legalese with plain English, modernize the format of a list, reword for greater internal consistency, fix relative pronouns, and split up a sentence for greater clarity.

**Section 39.3(a)** through **(d)** amends G.S. 131E-176 to ensure that the version of the statute taking effect November 21, 2026, accurately reflects the amendments made by Section 39.2(a) of this bill. Accordingly, subsection (d) of this section makes these amendments effective November 21, 2026.

**Section 39.4(a)** and **(b)** amends G.S. 131E-176 to ensure that the version of the statute taking effect November 21, 2025, accurately reflects the amendments made by Section 39.2(a) of this bill. Accordingly, subsection (b) of this section makes these amendments effective November 21, 2025.

**Section 39.5** recodifies G.S. 143B-1209.58 as G.S. 143B-1208.15 so that G.S. 143B-1209.08, The National Crime Prevention and Privacy Compact, is no longer placed between statutes authorizing criminal background checks.

**Section 39.7** amends G.S. 143B-1320(b), (c), and (d) by replacing references to "this Chapter" or "this act" with "this Article" to conform to the organization of the statute and to fix an internal citation. It also makes additional technical changes as follows:

- In subdivision (a)(4a), modernizes the format of a list.
- In subdivision (a)(14), replaces legalese with plain English.
- In subdivision (a)(16a), modernizes the format of a list and tabulates language for greater clarity.
- In subsection (b), deletes unnecessary language and replaces "must" with "shall" to be more consistent with the rest of the statute.
- In subsection (c), deletes unnecessary language and replaces legalese with plain English.
- In subsection (d), makes a stylistic change.

**Section 40** amends G.S. 150B-1 as follows:

- Throughout the section, deletes the hyphen from "rule-making" in accordance with this State's drafting conventions.

- In subsection (c), modernizes the format of a list.
- In subdivision (d)(4), fixes the format of a citation.
- In subdivision (d)(6), replaces "Department of Public Safety" with "Department of Adult Correction." This subdivision currently exempts the Department of Public Safety from rulemaking with respect to executions under Article 19 of Chapter 15 of the General Statutes. However, when S.L. 2021-180, s. 19C.9, created the new Department of Adult Correction, it transferred the responsibility of executions from the Department of Public Safety to the new department. Therefore, a conforming change is needed in this subdivision.
- In subdivision (d)(26), replaces "Web site" with "website" in accordance with this State's drafting conventions.
- In subdivision (d)(27), modernizes the format of a list and replaces legalese with plain English.
- In subdivision (e)(5), replaces legalese with plain English.
- Deletes subdivision (e)(22). This subdivision exempts the Department of Public Safety from the contested case provisions of Chapter 150B of the General Statutes with respect to executions under Article 19 of Chapter 15 of the General Statutes. Rather than replacing the name of the department in subdivision (e)(22), this bill deletes subdivision (e)(22) since subdivision (e)(7) already exempts the Department of Adult Correction entirely from the contested case provisions.

**Section 40.1** amends G.S. 163-129 as follows:

- In subsection (a), deletes unnecessary language, replaces legalese with plain English, fixes a relative pronoun, and makes stylistic changes for greater clarity.
- In subsection (c), fixes punctuation.
- In subsection (d), fixes an obsolete cross-reference.

**Section 40.2** amends G.S. 163-278.8B as follows:

- In subsection (b), fixes an incorrect cross-reference and replaces legalese with plain English.
- In subsection (c), adds clarifying language and replaces legalese with plain English.
- In subsection (d), replaces legalese with plain English.

**Section 41** amends the effective date for a 1983 session law by deleting an obsolete requirement.

**Section 42(a)** through **(c)** amends Sections 4C.11 and 4C.12 of S.L. 2024-53 to delete language that appears on its face to be permanent, and thus to require codification pursuant to G.S. 164-10(1). The language required reporting on the status of statutory changes that were originally effective contingent on federal approval. However, Section 2C.4 of S.L. 2024-57 amended the effective date to make these statutory changes effective October 25, 2024, making the reporting requirement on their status no longer necessary. Accordingly, subsection (c) of this section makes these amendments effective October 25, 2024.

**Section 42.1** amends Section 1(c) of House Bill 477 of this session by fixing the format of a citation.

**Part III** of the bill clarifies the use of electronic signatures:

**Section 43** amends G.S. 6-21.6(b) to clarify that an electronic signature may be used in a business contract with a reciprocal attorneys' fees provision. The section also makes the following technical changes in other parts of the statute:

- In subsection (c), fixes the format of a citation and replaces legalese with plain English.
- In subsections (d) and (e), replaces legalese with plain English.
- In subsection (f), changes "may not" to "shall not" to conform to this State's drafting convention.
- In subsection (g), replaces legalese with plain English.

**Section 44** amends G.S. 10B-5 to clarify that the Department of the Secretary of State may allow notary applications to be submitted electronically but that an initial application must be signed with pen and ink. To accomplish this clarification, Section 44(a) incorporates subsection (e) of the statute into subdivision (b)(8) of the statute, and Section 44(b) reconciles this language and adds information. Section 44(b) of the bill also deletes unnecessary language and fixes a relative pronoun in subdivision (b)(8) and, in subsection (d), makes a grammatical correction and changes "In no case may" to "In no case shall" to conform to this State's drafting convention.

**Part IV** of this bill enacts the Uniform Child Abduction Prevention Act:

**Section 45(a)** amends the title of Chapter 50A of the General Statutes to refer more generally to "Uniform Acts on Children" to accommodate the new Uniform Act being added by this bill.

**Section 45(b)** adds a new Article consisting of the following provisions:

**G.S. 50A-411** ("Short title") provides that the new Article is entitled the "Uniform Child Abduction Prevention Act."

**G.S. 50A-412** ("Definitions") provides definitions for the new Article. Among other definitions, it defines "abduction" as the "wrongful removal or wrongful retention of a child" and defines "wrongful removal" and "wrongful retention" as the taking, keeping, or concealing of a child that breaches rights of custody or visitation given or recognized under State law.

**G.S. 50A-413** ("Cooperation and communication among courts") provides that courts in this State may communicate and cooperate with courts in other states.

**G.S. 50A-414** ("Actions for abduction prevention measures") provides that a court on its own motion may order abduction prevention measures in a child-custody proceeding, and a party to a child-custody determination or a person having a right to seek a child-custody determination may file a petition seeking abduction prevention measures.

**G.S. 50A-415** ("Jurisdiction") provides that a petition under this Article may be filed only in a court that has jurisdiction to make a child-custody determination under the Uniform Child-Custody Jurisdiction and Enforcement Act (Article 2 of Chapter 50A of the General Statutes). It also provides that a court in this State has temporary emergency jurisdiction if the court finds a credible risk of abduction.

**G.S. 50A-416** ("Contents of petition") provides that a petition under this Article must be verified, must include a copy of any existing child-custody determination, if available, must specify the risk factors for abduction, and must contain certain information about the child and parties.

**G.S. 50A-417** ("Factors to determine risk of abduction") provides that, in determining whether there is a credible risk of abduction, a court must consider numerous factors including whether a party has done or is doing any of the following:

- Has previously abducted, attempted to abduct, or threatened to abduct the child.
- Has recently engaged in activities that may indicate a planned abduction.
- Has engaged in domestic violence, stalking, or child abuse or neglect.
- Has refused to follow a child-custody determination.
- Lacks strong familial, financial, emotional, or cultural ties to this State or country or has strong familial, financial, emotional, or cultural ties to another state or country.
- Is likely to take the child to a country that is not a party to or does not comply with the Hague Convention on the Civil Aspects of International Child Abduction or a country that poses a risk to the child's health or safety.
- Is undergoing a change in immigration or citizenship status that would adversely affect the person's ability to remain in the country lawfully or has had an application for U.S. citizenship denied.
- Has forged or presented misleading or false evidence on government forms or has made a misrepresentation to the U.S. government.
- Has used multiple names to attempt to mislead or defraud.

**G.S. 50A-418** ("Provisions and measures to prevent abduction") provides that, if a court finds a credible risk of abduction of the child, the court must enter an abduction prevention order. The abduction prevention order may include one or more abduction prevention measures, such as the following:

- An imposition of travel restrictions that require that a party traveling with the child outside a designated geographical area share with the other party the child's travel itinerary, a list of physical addresses and telephone numbers at which the child can be reached, and copies of all travel documents.
- A prohibition of the respondent removing the child from a geographic area without permission of the court or the petitioner's written consent, removing or retaining the child in violation of a child-custody determination, removing the child from school or a child-care facility, or approaching the child at any location other than a site designated for supervised visitation.
- A requirement that a party register the order in another state as a prerequisite to allowing the child to travel to that state.
- A direction that the petitioner place the child's name in the U.S. Department of State's Child Passport Issuance Alert Program, a requirement that the respondent surrender to the court or the petitioner's attorney a passport issued in the child's name, or a prohibition upon the respondent from applying on behalf of the child for a new or replacement passport or visa.
- A requirement that the respondent provide an authenticated copy of the order to the U.S. Department of State Office of Children's Issues and the relevant foreign consulate or embassy.
- Upon the petitioner's request, a requirement that the respondent obtain an order from the relevant foreign country containing terms identical to the child-custody determination issued in this country.

This section also allows the court to impose conditions on the exercise of custody or visitation, such as requiring that the respondent's visitation with the child be supervised, requiring the respondent to post a bond to serve as a financial deterrent to abduction, or requiring the

respondent to obtain education on the potentially harmful effects to the child from abduction. This section also provides that a court, to prevent the imminent abduction of a child, may issue an order to take physical custody of the child under the following section or other State law or authorize law enforcement to take any action reasonably necessary to locate the child, obtain return of the child, or enforce a child-custody determination.

**G.S. 50A-419** ("Warrant to take physical custody of child") provides that, if a petition under this Article contains allegations, and the courts finds, that there is a credible risk that the child is imminently likely to be wrongfully removed, the court may issue an ex parte warrant to take physical custody of the child. It also provides that the respondent must be afforded an opportunity to be heard at the earliest possible time and that, if the court finds that a less intrusive remedy will not be effective, it may authorize law enforcement officers to enter private property to take physical custody of the child, which may include forcible entry at any hour. It further provides that, if the court finds that a petitioner sought an ex parte warrant for the purpose of harassment or in bad faith, the court may award the respondent reasonable attorneys' fees, costs, and expenses.

**G.S. 50A-420** ("Duration of abduction prevention order") provides that an abduction prevention order remains in effect until the earliest of the time stated in the order, the emancipation of the child, the child's attaining 18 years of age, or the time the order is modified, revoked, vacated, or superseded.

**G.S. 50A-421** and **G.S. 50A-422** are standard uniform act provisions relating to uniformity of application and construction and to the federal Electronic Signatures in Global and National Commerce (ESIGN) Act, respectively.

**Section 45(c)** authorizes the publishing of drafters comments.

**Section 45(d)** provides that the section becomes effective October 1, 2025, and applies to petitions filed or motions made on or after that date.

**Part V** of the bill enacts Article 3 of the Uniform Unregulated Child Custody Transfer Act:

**Section 46(a)** enacts a new Part ("Information and Guidance") in Article 3 of Chapter 48 of the General Statutes that consists of the following new sections:

**G.S. 48-3-230** ("Title and purpose") provides that this Part may be cited as the Information and Guidance Provisions of the Uniform Unregulated Child Custody Transfer Act. The General Statutes Commission added that the purpose of the Part is to prevent the unlawful transfer of custody of minors as prohibited by G.S. 14-321.2. The Uniform Unregulated Child Custody Transfer Act includes an article to prohibit unlawful transfers of custody of minors but that article is not included in this bill because G.S. 14-321.2 already prohibits this conduct. The purpose language in G.S. 48-3-230 provides a link between the existing prohibition on unlawful transfers of custody and the requirements of this new Part.

**G.S. 48-3-231** ("Definitions") defines certain terms. Some terms used in this Part are defined in G.S. 48-1-101 and apply to all of Chapter 48. For example, the term "agency" is defined in G.S. 48-1-101(4) as an entity licensed or otherwise authorized to place minors for adoption, including a county department of social services in this State.



**G.S. 48-3-232** ("Scope") provides that this Part applies to a minor that has been or is in foster or institutional care, has previously been adopted, has been or is being adopted under the law of a foreign country, has come or is coming from a foreign country to be adopted, or is not a citizen of the United States.

**G.S. 48-3-233** ("General adoption information") requires that, before placing a minor to whom this Part applies for adoption, an agency must provide the prospective adoptive parent general adoption information. The information has to address certain physical, mental, emotional, and behavioral issues an adopted minor may experience, the effect that resources may have on meeting the needs of the minor, things that can cause disruption or dissolution of an adoption and how to avoid disruption or dissolution, and the criminal prohibition on unlawful transfers of the custody of minors under G.S. 14-321.2

**G.S. 48-3-234** ("Nonidentifying information about minor") provides that, before placing a minor to whom this Part applies for adoption, an agency must provide information that is nonidentifying but that is specific to the minor, in addition to the health and family background information provided under G.S. 48-3-205. This additional information includes any circumstances that could adversely affect the minor's physical, mental, emotional, or behavioral health, the history of prior adoption or placement of the minor and the reason the adoption or placement ended, and resources available to the adoptive parent and the minor to assist in responding effectively to difficulties. The agency must also provide records relevant to all of the information provided and must provide updated information if it later becomes known to the agency.

**G.S. 48-3-235** ("Guidance and instruction") requires that, before an adoption is finalized (or in accordance with federal law for an intercountry adoption), an agency must provide to the prospective adoptive parent guidance and instruction specific to the minor to help the parent respond effectively to the minor's needs. The information must address the potential effect on the minor of the following, if applicable: any previous adoptions or placements, trauma, malnutrition, neglect, abuse, drug exposure, separation from a sibling or caregiver, and a difference in cultural identity between the prospective parent and minor. The agency must also provide information about the process of US citizenship for the minor.

**G.S. 48-3-236** ("Information about financial assistance and support services") provides that, when requested by an adopted minor or the minor's adoptive parent, an agency must provide information on how to obtain financial assistance or support services to respond effectively to challenges and to help preserve the placement or adoption.

**G.S. 48-3-237** ("Agency compliance") provides that the Department of Health and Human services may investigate allegations that an agency has failed to comply with this Part and may initiate administrative proceedings and take appropriate enforcement action.

**G.S. 48-3-238** and **G.S. 48-3-239** are standard uniform act provisions relating to uniformity of application and construction and to the federal Electronic Signatures in Global and National Commerce (ESIGN) Act, respectively.

**Section 46(b)** amends G.S. 48-3-205 as follows:

- In subsection (a), removes language notwithstanding any other provision of law since no other provision of law is known to be in direct conflict with this G.S. section, changes "must" to "shall" for internal consistency, adds clarifying language for an inclusive list,

modernizes the format of the list, replaces legalese with plain English, and removes unnecessary language.

- In subsection (b), replaces legalese with plain English and changes "may not" to "shall not" to conform to this State's drafting conventions.

**Section 46(c)** provides that, if a court holds a provision of this section to be invalid, the provisions of this section are severable.

**Section 46(d)** authorizes the Revisor of Statutes to print drafters comments.

**Section 46(e)** provides that this section is effective when it becomes law and applies to placement of a minor for adoption beginning 60 days after that date.

**Part VI** provides for the effect that conveyances of real property between spouses have on certain marital property rights:

**Section 47(a)** amends G.S. 29-30(a) to provide that a surviving spouse is not entitled to take a life estate in real estate if the surviving spouse has conveyed his or her interest in the real estate to the other spouse and has expressly waived his or her right to take a life estate in the instrument of conveyance.

**Section 47(b)** provides that this section applies to conveyances executed before, on, or after the effective date of this act.

**Section 48(a)** amends G.S. 39-13.3 to make the following changes:

- In subsection (a):
  - Adds language to provide that a conveyance of real property from one spouse to another does not waive the conveying spouse's right to (i) an elective life estate in the property, unless the instrument of conveyance expressly waives that right or (ii) an equitable distribution of the property, as the right to equitable distribution cannot be waived in the instrument of conveyance.
  - Replaces legalese with plain English.
- In subsection (d), removes unnecessary language.
- In subsection (e), repeals the subsection to conform to the new language in subsection (a).

**Section 48(b)** amends G.S. 41-63 to make the following changes:

- In subdivision (2) removes unnecessary language.
- In subdivision (4):
  - Adds language to provide that a conveyance of an interest in property held as tenants by the entirety from one spouse to the other does not waive the conveying spouse's right to (i) an elective life estate in the property, unless the instrument of conveyance expressly waives that right or (ii) an equitable distribution of the property, as the right to equitable distribution cannot be waived in the instrument of conveyance.
  - Repeals language to conform to the new language added.

**Section 48(c)** recodifies certain definitions of G.S. 50-20(b) to achieve alphabetical order.

**Section 48(d)** amends G.S. 50-20, as amended by Section 48(c), to make the following changes:

- In subsection (a), removes unnecessary language.
- In subsection (b):
  - In the introductory language and throughout, modernizes the format of definitions.
  - In subdivision (1), replaces legalese with plain English and updates language for consistency with current federal tax law.
  - In subdivision (1a), fixes a relative pronoun and replaces legalese with plain English.
  - In subdivision (1b), makes conforming changes to internal cross-references, makes changes to conform to amendments made to G.S. 50-20.1 in S.L. 2019-172, and fixes a relative pronoun.
  - In subdivision (2):
    - Adds language to conform to G.S. 39-13.3 and G.S. 41-63 in providing that the conveyance of property by gift from one spouse to another does not cause the property to become separate property that is no longer subject to equitable distribution unless this intent is expressly stated in writing, and, in the case of real property, in a written agreement separate from the instrument of conveyance. Conversely, property acquired in exchange for separate property remains separate property unless the intent for the property to become marital property is expressly stated in writing.
    - Modernizes the format of a list, replaces legalese with plain English, makes language gender-neutral, and fixes a relative pronoun.
- In subsection (c), replaces legalese with plain English, fixes punctuation, fixes relative pronouns, and removes unnecessary language.
- In subsection (d), adds cross-references to G.S. 39-13.3 and G.S. 41-63 for greater clarity, fixes punctuation, removes unnecessary language, fixes the format of a citation, splits up a sentence for greater clarity, and replaces legalese with plain English.
- In subsection (e), fixes punctuation.
- In subsection (f), fixes the format of a citation.
- In subsection (g), replaces legalese with plain English, rewords for greater clarity, and fixes the format of a citation.
- In subsection (h), replaces legalese with plain English.
- In subsection (i), fixes the format of citations, fixes punctuation, fixes a relative pronoun, and replaces legalese with plain English.
- In subsection (i1), makes two instances of a word singular for greater clarity, removes unnecessary language, makes stylistic changes for greater clarity, and replaces legalese with plain English.
- In subsection (J), adds lead-in language to introduce a list, removes unnecessary language, replaces legalese with plain English, and rewords a term for internal consistency.

**Section 48(e)** provides that the provisions of Section 48 pertaining to an elective life estate apply to conveyances executed before, on, or after the effective date of this act and that the remainder of Section 48 applies to conveyances executed on or after the effective date of this act.

**Section 49** provides that this Part becomes effective October 1, 2025.

**Part VII** enacts the Uniform Community Property Disposition at Death Act:

**Section 50** repeals the predecessor Act, the Uniform Disposition of Community Property Rights at Death Act.

**Section 51** enacts the Uniform Community Property Disposition at Death Act as a new Article:

**G.S. 30-41** ("Title") provides that the new Article may be cited as the Uniform Community Property Disposition at Death Act.

**G.S. 30-42** ("Definitions") provides definitions for the Article and defines "community-property spouse" as an individual in a relationship in which community property could be acquired and that lasted until one of the individuals in the relationship died. Current law does not include a definitions section.

**G.S. 30-43** ("Included and excluded property"), similar to current law, provides that the Article applies to personal property that was community property under the law of another jurisdiction and to real property in this State that is traceable to community property under the law of another jurisdiction. Under a new provision, the Article also applies to community property created by transfer of property to a trust under the law of another jurisdiction. Like current law, the Article does not apply to property that is not community property due to an agreement or joint action by the spouses.

**G.S. 30-44** ("Form of partition, reclassification, or waiver") provides that spouses may partition or reclassify community property. Under a new provision, the Article also requires that the partition or reclassification of community property be in a record signed by both spouses. The General Statutes Commission added that, unless the spouses agree otherwise, partition of community property is presumed to result in each spouse owning a one-half separate interest in the property. This section also allows a spouse to waive a right granted by the Article.

**G.S. 30-45** ("Community property presumption"), like current law, presumes that this Article applies to all property acquired by a spouse when domiciled in a jurisdiction where property acquired by a spouse was presumed to be community property under the law of that jurisdiction. This section does not carry forward the presumption in current law that real property in this State and personal property acquired by a spouse while domiciled in a non-community property jurisdiction is not community property.

**G.S. 30-46** ("Disposition of property at death"), like current law, provides that, upon the death of one of the spouses, one half of the community property belongs to the surviving spouse and the other half is subject to disposition by the deceased spouse. Like in current law, the one half belonging to the decedent is not subject to the surviving spouse's elective share right or elective life estate right. A new provision adds that this section (i) does not apply to property transferred by nonprobate transfer, (ii) does not limit certain statutory and constitutional rights of the surviving spouse, and (iii) does not prevent a court from requiring that a surviving spouse elect between asserting rights under the Article and receiving property through a different avenue, such as a will.

**G.S. 30-47** ("Other remedies available at death") is a new provision that adds that a surviving spouse or a personal representative, heir, or nonprobate transferee of the decedent may assert a right based on an act by either spouse during the marriage or an act of the decedent that takes effect at the decedent's death, such as a right to reimbursement or a right associated with a monetary claim.

**G.S. 30-48** ("Right of surviving community-property spouse") is a new provision that adds that a surviving spouse may assert a right in or to property by either:

- Commencing a civil action in superior court within one year after the decedent's death.
- Filing a petition with the clerk of superior court or commencing a civil action in superior court within six months after the issuance of letters testamentary or letters of administration in connection with the decedent's testate or intestate proceeding.

To assert a different right under the Article, such as a right of reimbursement, the surviving spouse may either:

- If a personal representative of the decedent's estate is not appointed, commence a civil action in superior court within one year of the decedent's death.
- Satisfy the procedural requirements of the second bullet point above.

Absent a timely demand from the surviving spouse, the personal representative may distribute assets without personal liability.

**G.S. 30-49** ("Right of heir, devisee, or nonprobate transferee") is a new provision that applies the same procedural requirements contained in the previous section to an heir, devisee, or nonprobate transferee asserting a right under this Article.

**G.S. 30-50** ("Protection of third person"), similar to current law, provides that a third party transacting with a spouse or personal representative, heir, devisee, or nonprobate transferee of the decedent is not liable under the Article if the third party does so in good faith and for value and does not know or have reason to know that the other party lacks authority. The General Statutes Commission added that a lien creditor of or purchaser for value of real property is not liable under the Article unless, before the lien was acquired or the purchase was made, the spouses gave notice in a registered instrument of their intention for this Article to apply to the property.

**G.S. 30-51** ("Principles of law and equity") provides that the principles of law and equity supplement the Article except to the extent inconsistent with the Article.

**G.S. 30-52** ("Uniformity of application and construction") provides that, in applying and construing the Article, a court shall consider the promotion of uniformity of the law among states that enact the Uniform Act.

**Section 52** makes a conforming change to provide that a proceeding under the Uniform Act is an estate proceeding. It also replaces legalese with plain English and makes a word plural for greater consistency.

**Section 53** provides that, if a court holds a provision of this act to be invalid, the provisions of this act are severable.

**Section 54** authorizes the Revisor of Statutes to print drafters comments.

**Section 55** provides that if a property right is acquired, extinguished, or barred on the expiration of a limitation period that began to run under the current statute, the current statute continues to apply to that right.

**Section 56** provides that this Part becomes effective January 1, 2026, and except as otherwise provided in Section 55, applies to a judicial proceeding commenced on or after that date, regardless of the date of the decedent's death.

**Part VIII** of the bill makes amendments to the Uniform Commercial Code relating to emerging technologies:

**Subpart VIII-A** of the bill adds a new Article 12 ("Controllable Electronic Records") to the UCC. This Article discusses three types of new assets: controllable electronic records (defined in G.S. 25-12-102), controllable accounts (defined in G.S. 25-9-102), and controllable payment intangibles (also defined in G.S. 25-9-102).<sup>1</sup> Controllable accounts and controllable payment intangibles are evidenced by controllable electronic records. The primary substantive provisions of Article 12 are as follows:

- G.S. 25-12-104 discusses what rights a purchaser of one of these three new types of assets acquires. A purchaser of one of these three types of assets acquires all rights in the asset that the seller had or had the power to transfer. A purchaser of a controllable electronic record ("CER") for value, in good faith, and without notice of a third-party claim in the CER (defined as a qualifying purchaser) acquires rights in the CER free of any third-party claim. A qualifying purchaser of a controllable account or controllable payment intangible also acquires rights in the property interest free of any third-party claim; however, for other types of property interest evidenced by a CER, a qualifying purchaser takes the property interest subject to a third-party claim.
- G.S. 25-12-105 provides that a person has control of a CER if the person can readily identify itself as having the power to avail itself of substantially all the benefit of the CER, the exclusive power to prevent others from availing themselves of substantially all the benefit of the CER, and the exclusive power to transfer control of the CER to another person. Control is necessary for a record to be a CER and for a purchaser to be a qualifying purchaser. Under G.S. 25-9-107.1 and G.S. 25-9-314, control is also a method of perfecting a security interest in a CER, and under G.S. 25-9-326.1, a secured party with control has priority over a secured party without control.
- G.S. 25-12-106 discusses in which circumstances an account debtor on a controllable account or controllable payment intangible may discharge its obligation by paying a person who formerly had control of the associated CER. (In any event, an account debtor may pay the person who currently has control of the associated CER.) Generally, if the account debtor is notified that control of the associated CER has been transferred to another person in a commercially reasonable method to which the account debtor previously agreed, the account debtor cannot discharge its obligation by paying the person who formerly had control.
- G.S. 25-12-107 presents a waterfall of rules for determining a CER's jurisdiction and the governing law.

**Subpart VIII-B** of the bill amends Article 9 ("Secured Transactions") of the UCC by making amendments related to the new Article 12 and other amendments related to emerging technologies. Most of these amendments can be grouped into three categories:

- Amendments Related to Article 12 ("Controllable Electronic Records"):

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<sup>1</sup> For examples of these terms and some other terms used in this Part, please see the table on page 34 of this memorandum.

- G.S. 25-9-102 includes definitions for "controllable account" and "controllable payment intangible," two of the three new types of assets discussed in Article 12.
  - G.S. 25-9-312 and G.S. 25-9-314 provide that a security interest in a CER, controllable account, or controllable payment intangible may be perfected by filing a financing statement or by control, respectively. G.S. 25-9-107.1 provides that a secured party has control of a CER as provided by G.S. 25-12-105 and that a secured party has control of a controllable account or controllable payment intangible if the secured party has control of the associated CER. Under G.S. 25-9-326.1, a secured party with control has priority over a secured party without control.
  - G.S. 25-9-306.2 provides that generally the law of the CER's jurisdiction (as determined under G.S. 25-12-107) governs the perfection and priority of security interests in CERs, controllable accounts, and controllable payment intangibles.
  - G.S. 25-9-317(h) and (i) provide that generally a buyer of a CER, controllable account, or controllable payment intangible takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the asset.<sup>2</sup>
- Amendments Related to Chattel Paper:
    - G.S. 25-9-102 contains a rewritten definition of "chattel paper" and eliminates the definitions of tangible chattel paper and electronic chattel paper. The rewritten definition of chattel paper addresses hybrid transactions in which a lease of goods is combined with a right to receive other property or services. If the predominant purpose of the transaction is the lease of goods, the lessee's monetary obligation falls within the definition of chattel paper.
    - G.S. 25-9-314.1 provides that a security interest in chattel paper may be perfected by taking possession of each authoritative tangible copy of the record evidencing the chattel paper and obtaining control of each authoritative electronic copy of the electronic record evidencing the chattel paper. G.S. 25-9-105 provides for when a secured party has control of an authoritative electronic copy of a record evidencing chattel paper.
    - G.S. 25-9-306.1 provides for the law governing the perfection and priority of security interests in chattel paper. If chattel paper is evidenced by an authoritative electronic copy or by both an authoritative electronic copy and an authoritative tangible copy, generally the law of the chattel paper's jurisdiction governs the perfection and priority of security interests in the chattel paper. If chattel paper is evidenced only by an authoritative tangible copy, generally the law of the jurisdiction where the tangible copy is located governs the perfection and priority of security interests in the chattel paper.
    - G.S. 25-9-317(f) provides that generally a buyer of chattel paper takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and receives delivery of each authoritative tangible copy of the record evidencing the chattel paper and obtains control of each authoritative electronic copy.
  - Amendments Related to Money:
    - G.S. 25-9-102 includes a new definition of "money" that references the definition of money in G.S. 25-1-201 but excludes a deposit account and electronic money

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<sup>2</sup> G.S. 25-9-317(g) contains a similar provision for buyers of electronic documents.

that cannot be subjected to control under G.S. 25-9-105.1. Under G.S. 25-9-105.1, a person has control of electronic money if the person can readily identify itself as having the power to avail itself of substantially all the benefit of the electronic money, the exclusive power to prevent others from availing themselves of substantially all the benefit of the electronic money, and the exclusive power to transfer control of the electronic money to another person.

- G.S. 25-9-332(c) provides that a transferee of electronic money takes the money free of a security interest if the transferee does not collude with the debtor against the secured party.

Subpart VIII-B also adds new definitions to G.S. 25-9-102 for "assignee" and "assignor" to clarify that an assignment refers to either the sale of a payment right or a security interest in a payment right. Subpart VIII-B also replaces the term "authenticated" with "signed" in numerous places to conform to the definitions in G.S. 25-1-102, as amended by Subpart VIII-C of the bill.

**Subpart VIII-C** of the bill amends Articles 1, 2, 2A, 3, 4A, 5, 7, and 8 of the UCC by making conforming changes and other amendments relating to emerging technologies. The primary amendments to Article 1 ("General Provisions") consist of the following changes to G.S. 25-1-201, the definitions section for the entire UCC:

- Rewriting the definition of "conspicuous" so that the determination of whether a term is conspicuous is based on the totality of the circumstances. The bill also removes a list of examples.
- Adding a new definition of "electronic." This standard definition is used in numerous Uniform Acts.
- Amending the definition of "money" to exclude an electronic record that is a medium of exchange recorded and transferable in a system that existed and operated before the medium of exchange was authorized or adopted by a government. In other words, Bitcoin is not "money" even though it has been adopted as an official currency by El Salvador and the Central African Republic. Instead, Bitcoin is a controllable electronic record. This bill does not affect which mediums of exchange are authorized or adopted by a government and does not encourage or discourage the adoption of a central bank digital currency.
- Amending the definition of "person" to add a protected series.
- Amending the definition of "send" to provide that a record or notification between parties may be sent to any reasonable address.
- Broadening the definition of "sign" to encompass all records, not just writings.

In Article 2 ("Sales"), the bill addresses when the article applies to hybrid transactions (newly defined in G.S. 25-2-106) that involve both a sale of goods and the provision of services, a lease of other goods, or a sale, lease, or license of other property. G.S. 25-2-102 provides that if the sale-of-goods aspects of the transaction do not predominate, only the provisions of Article 2 that relate primarily to those aspects apply and the provisions of Article 2 that relate primarily to the transaction as a whole do not apply; conversely, if the sale-of-goods aspects of the transaction predominate, Article 2 applies to the transaction but does not preclude the application of other law to aspects of the transaction that do not relate to the sale of goods.

Similarly, in Article 2A ("Leases"), the bill addresses when the article applies to hybrid leases (newly defined in G.S. 25-2A-103) that involve both a lease of goods and the provision of services, a sale of other goods, or a sale, lease, or license of other property. G.S. 25-2A-102 provides that if the lease-of-goods aspects of the transaction do not predominate, generally only the provisions



of Article 2A that relate primarily to those aspects apply and the provisions of Article 2A that relate primarily to the transaction as a whole do not apply; conversely, if the lease-of-goods aspects of the transaction predominate, Article 2A applies to the transaction but does not preclude the application of other law to aspects of the transaction that do not relate to the lease of goods.

The primary amendments to Article 3 ("Negotiable Instruments") are as follows:

- G.S. 25-3-104(a) amends the definition of "negotiable instrument" to allow it to contain a choice-of-law clause and choice-of-forum clause.
- G.S. 25-3-105 defines "issue" to allow the recipient of a check to send a photograph of the check to the recipient's bank and then destroy the check. G.S. 25-3-604 provides that this destruction does not discharge the payment obligation.

The primary amendment in Article 4A ("Funds Transfers") is to amend G.S. 25-4A-201 to provide that a security procedure for payment orders may impose an obligation on a receiving bank or customer and that requiring a payment order to be sent from a known email address, IP address, or telephone number is not by itself a security procedure.

The primary amendment in Article 5 ("Letters of Credit") is to amend G.S. 25-5-116 to clarify that, for purposes of jurisdiction, choice of law, and recognition of interbranch letters of credit, but not enforcement of a judgment, a branch of a bank is located at the address indicated in the branch's letter of credit or, if more than one address is indicated, the address from which the letter of credit was issued.

The primary amendment in Article 7 ("Documents of Title") is to add an additional safe harbor to G.S. 25-7-106, which establishes when a person has "control" of an electronic document of title. A person has control of an electronic document of title if the person (i) can readily identify each electronic copy as being either authoritative or nonauthoritative, (ii) can readily identify itself as the person to which each authoritative electronic copy was issued or transferred, and (iii) has the exclusive power to prevent others from adding or changing the person to which each authoritative electronic copy has been issued or transferred and the exclusive power to transfer control of each authoritative electronic copy.

The primary amendments to Article 8 ("Investment Securities") are as follows:

- Adds G.S. 25-8-103(h), which provides that, unless otherwise agreed by a securities intermediary and customer, a controllable account, controllable electronic record, or controllable payment intangible is not a financial asset and thus not subject to the indirect holding system rules of Part 5 of Article 8.
- Amends G.S. 25-8-106(d) to provide that a purchaser has control of a security entitlement if another person, other than the transferor to the purchaser of the security entitlement, has control of the security entitlement and acknowledges that it has control on behalf of the purchaser. For reference, a customer who holds a financial asset through a securities intermediary has a security entitlement to the financial asset.
- Adds G.S. 25-8-110(g), which provides that the law of the issuer's jurisdiction or securities intermediary's jurisdiction generally governs a matter or transaction under Article 8 even if the matter or transaction bears no relation to the jurisdiction.

Throughout Subpart VIII-C, the bill also makes changes to conform to the revised definition of "sign" and replaces or supplements references to a "writing" with references to a "record."

**Subpart VIII-D** makes other technical conforming changes outside of the UCC.

**Subpart VIII-E** consists of transitional provisions. Amended Article 9 and Article 12 generally apply to transactions, liens, and other property interests entered into, created, or acquired before, on, or after the effective date. The remainder of the Part applies only prospectively. The Part also provides a period of adjustment to perfect security interests.

**Subpart VIII-F** authorizes the printing of drafters comments and provides that this Part becomes effective October 1, 2025.

Below is a table providing examples of some of the terms used in this Part:

<b>Term (by Article)</b>	<b>Examples</b>
Account (Articles 9 and 12)	Right to payment relating to goods or services; right to payment arising from the use of a credit card
Chattel paper (Article 9)	Right to payment under an installment sale contract or personal property lease
Controllable electronic record (Articles 9 and 12)	Electronic record capable of being controlled that evidences a right to payment; cryptocurrency
Document of title (Article 7)	Bill of lading; warehouse receipt
Financial asset (Article 8)	Publicly traded security; money market instrument
Instrument (Articles 3 and 9)	Check; promissory note
Payment intangible (Articles 9 and 12)	Catch-all term for right to payment that is not an account, chattel paper, or other defined type of collateral; right to payment of a loan of funds that is not evidenced by chattel paper or an instrument

**Part IX** of the bill enacts the Uniform Special Deposits Act:

**Section 158** adds the Uniform Special Deposits Act as a new Chapter:

**G.S. 54D-1** ("Title") provides that the new Chapter may be cited as the Uniform Special Deposits Act.

**G.S. 54D-2** ("Definitions") provides several definitions for the Chapter. Unlike the definition of "bank" in Chapter 53C of the General Statutes, this section includes a credit union in its definition of "bank" in order to achieve uniformity with other states that enact the Uniform Act. If this bill is enacted, the General Statutes Commission will prepare a drafters comment regarding this definition.

Additionally, this section defines "obligated to pay a beneficiary" as occurring when a beneficiary is entitled under an account agreement to receive payment from a bank because a contingency has occurred and the bank has knowledge the contingency has occurred. This section also defines a "permissible purpose" for which a special deposit may be used, such as to hold funds in escrow or as a tenant's security deposit or to provide earnest money for a transaction.

**G.S. 54D-3** ("Scope; choice of law; forum") provides that this Chapter applies to a special deposit if the parties state their intention for this Chapter to apply in an account agreement, regardless of whether the special deposit has a reasonable relation to this State. The parties may

also choose a forum in this State, regardless of whether the special deposit has a reasonable relation to this State.

**G.S. 54D-4** ("Variation by agreement or agreement") provides that certain provisions in this Chapter shall not be varied by agreement, such as the requirements for a special deposit, but that other provisions of this Chapter may be varied by agreement, such as when a bank shall discharge its obligation to a beneficiary. This section also discusses when a bank and a depositor may amend the account agreement without the consent of a beneficiary.

**G.S. 54D-5** ("Requirements for special deposit") provides that a deposit is a special deposit if (i) the deposit is a deposit of funds in a bank under an account agreement, (ii) the deposit is for the benefit of at least two beneficiaries, (iii) the deposit is denominated in a medium of exchange currently authorized or adopted by a government, (iv) the deposit is for a permissible purpose, and (v) the deposit is subject to a contingency.

**G.S. 54D-6** ("Permissible purpose") provides that a special deposit must serve a permissible purpose stated in the account agreement from the time it is created until the time it is terminated. If a bank or a court determines that a special deposit no longer serves a permissible purpose, the protections of this Chapter would cease to apply to it.

**G.S. 54D-7** ("Payment to beneficiary by bank") provides that a bank shall discharge its obligation to a beneficiary when it is obligated to pay the beneficiary and there are sufficient funds in the balance of the special deposit. The General Statutes Commission modified this language from the Uniform Act as a clarifying change to conform to the rest of the bill and, if this bill is enacted, the Commission will prepare an explanatory drafters comment. This section also provides that, if the funds in the special deposit are insufficient to cover the obligation, a beneficiary may elect to be paid the available funds.

**G.S. 54D-8** ("Property interest of depositor or beneficiary") provides that neither a depositor nor a beneficiary has a property interest in a special deposit. In other words, the special deposit is "bankruptcy remote" from the depositor.

**G.S. 54D-9** ("When creditor process enforceable against bank") provides that creditor process is enforceable against a bank holding a special deposit only when the bank is obligated to pay a beneficiary and when the process meets certain requirements.

**G.S. 54D-10** ("Injunction or similar relief") provides that a court may enjoin a bank from paying a beneficiary only if payment would constitute or facilitate a material fraud.

**G.S. 54D-11** ("Recoupment or set off") provides that generally a bank shall not exercise a right of recoupment or set off against a special deposit. This section includes a few exceptions to this rule, such as fees for overdrafts and related costs, and provides that a bank may exercise a right of recoupment or set off against an obligation to pay a beneficiary.

**G.S. 54D-12** ("Duties and liability of bank") provides that a bank does not have a fiduciary duty to any person with respect to a special deposit but that, when it becomes obligated to pay a beneficiary, a debtor-creditor relationship arises between it and the beneficiary. This section also provides that, if a bank does not comply with an account agreement and this Chapter, the bank is liable to a depositor or beneficiary only for damages proximately caused by the noncompliance.

Additionally, this section provides that a bank may rely on records presented in compliance with an account agreement to determine whether the bank is obligated to pay a beneficiary.

**G.S. 54D-13** ("Term and termination") provides that, unless otherwise provided in the account agreement, a special deposit terminates after five years. This section also provides that, if the bank cannot identify or locate a beneficiary after the special deposit is terminated, the bank shall pay any remaining balance to the depositor.

**G.S. 54D-14** ("Principles of law and equity") provides that the principles of law and equity, including the Uniform Commercial Code and law governing deposits generally, supplement this Chapter.

**G.S. 54D-15** ("Uniformity of application and construction") provides that, in applying and construing the Chapter, a court shall consider the promotion of uniformity of the law among states that enact the Uniform Act.

**Section 159** authorizes the Revisor of Statutes to print drafters comments.

**Section 160** provides that this Part becomes effective October 1, 2025, and applies to a special deposit made under an account agreement executed on or after that date.

**Part X** of this bill, consisting of **Section 161**, provides that, except as otherwise provided, this act is effective when it becomes law.