

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

2

HOUSE BILL 804
Committee Substitute Favorable 3/31/05

Short Title: Order of Payment/Equitable Distribution.

(Public)

Sponsors:

Referred to:

March 21, 2005

A BILL TO BE ENTITLED

1 AN ACT TO AMEND THE ORDER OF PAYMENT OF A CLAIM FOR
2 EQUITABLE DISTRIBUTION UNDER THE LAWS RELATING TO THE
3 ADMINISTRATION OF DECEDENTS' ESTATES.
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 28A-19-6 reads as rewritten:

7 "**§ 28A-19-6. Order of payment of claims.**

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

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

12 Second class. Funeral expenses to the extent of two thousand five hundred dollars
13 (\$2,500). This limitation shall not include cemetery lot or gravestone. The preferential
14 limitation herein granted shall be construed to be only a limit with respect to preference
15 of payment and shall not be construed to be a limitation on reasonable funeral expenses
16 which may be incurred; nor shall the preferential limitation of payment in the amount of
17 two thousand five hundred dollars (\$2,500) be diminished by any Veterans
18 Administration, social security or other federal governmental benefits awarded to the
19 estate of the decedent or to his or her beneficiaries.

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

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

24 Fifth class. Judgments of any court of competent jurisdiction within the State,
25 docketed and in force, to the extent to which they are a lien on the property of the
26 decedent at his death.

27 Sixth class. Wages due to any employee employed by the decedent, which claim for
28 wages shall not extend to a period of more than 12 months next preceding the death; or
29 if such employee was employed for the year current at the decease, then from the time

1 of such employment; for medical services within the 12 months preceding the decease;
2 for drugs and all other medical supplies necessary for the treatment of such decedent
3 during the last illness of such decedent, said period of last illness not to exceed 12
4 months.

5 Seventh class. A claim for equitable distribution.

6 ~~Seventh-Eighth~~ class. All other claims."

7 **SECTION 2.** This act is effective when it becomes law and applies to the
8 estates of persons who died on or after June 12, 2003, provided that an agreement
9 entered into or performed pursuant to G.S. 28A-19-19(b) before the effective date is not
10 affected by this act.