

Equitable Distribution Legislation

S.L. 2025-25, SECTION 48.(d) G.S. 50-20, as amended by subsection (c) of this section, reads as rewritten:

"§ 50-20. Distribution by court of marital and divisible property.

(a) Upon application of a party, the court shall determine what is the marital property and divisible property and shall provide for an equitable distribution of the marital property and divisible property between the parties in accordance with ~~the provisions of this section.~~

(b) For purposes of this ~~section~~section, the following definitions apply:

(1) ~~"Distributive award" means payments~~ Distributive award. – Payments that are payable either in a lump sum or over a period of time in fixed amounts, but ~~shall the term does not~~ include alimony payments or other similar payments for support and ~~maintenance which are treated as ordinary income to the recipient under the Internal Revenue Code or maintenance of a spouse or child.~~

(1a) ~~"Divisible property" means all~~ Divisible property. – All real and personal property as set forth below:

a. All appreciation and diminution in value of marital property and divisible property of the parties occurring after the date of separation and prior to the date of distribution, except that appreciation or diminution in value ~~which that~~ is the result of postseparation actions or activities of a spouse ~~shall not be~~ is not treated as divisible property.

b. All property, property rights, or any portion thereof received after the date of separation but before the date of distribution that was acquired as a result of the efforts of either spouse during the marriage and before the date of separation, including, but not limited to, commissions, bonuses, and contractual rights.

c. Passive income from marital property received after the date of separation, including, but not limited to, interest and dividends.

d. Passive increases and passive decreases in marital debt and financing charges and interest related to marital debt.

(1b) ~~"Marital property" means all~~ Marital property. – All real and personal property acquired by either spouse or both spouses during the course of the marriage and before the date of the separation of the parties, and presently owned, except property determined to be separate property or divisible property in accordance with ~~subdivision (2) or (4) of this subsection.~~ Marital property includes all vested and

~~nonvested pension, retirement, and other pension and retirement rights and benefits, vested and nonvested deferred compensation rights, rights and benefits, and vested and nonvested military pensions eligible under the federal Uniformed Services Former Spouses Protection Act. It is presumed that all property acquired after the date of marriage and before the date of separation is marital property except property which that is separate property under subdivision (2) of this subsection. It is presumed that all real property creating a tenancy by the entirety acquired after the date of marriage and before the date of separation is marital property. Either presumption may be rebutted by the greater weight of the evidence.~~

- (2) ~~"Separate property" means all Separate property. – All real and personal property acquired by a spouse before marriage or acquired by a spouse by devise, descent, or gift during the course of the marriage. However, property property, other than real property, acquired by gift from the other spouse during the course of the marriage shall be is considered separate property only if such an intention is this intent is expressly stated in the conveyance. in writing. Real property acquired by gift from the other spouse during the course of the marriage is considered separate property only if this intent is expressly stated in a written agreement separate from the conveyance in accordance with subsection (d) of this section. The act of conveying property from one spouse to the other does not in itself state this intent. Property acquired in exchange for separate property shall remain remains separate property regardless of whether the title is in the name of the husband or wife or both one or both spouses and shall is not be considered to be marital property unless a contrary intention the intent for the property to become marital property is expressly stated in the conveyance. in writing. The act of acquiring the property does not in itself state this intent. The increase in value of separate property and the income derived from separate property shall be is considered separate property. All professional licenses and business licenses which that would terminate on transfer shall be are considered separate property.~~

Effective October 1, 2025.