

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 1336
HOUSE BILL 1739

AN ACT TO AMEND ARTICLE 15 OF CHAPTER 58 OF THE NORTH CAROLINA
GENERAL STATUTES TO PROHIBIT KICKBACKS AND REBATES IN THE SALE
OF TITLE INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. Article 15 of Chapter 58 of the North Carolina General Statutes is hereby amended by adding thereto a new section to be entitled G.S. 58-135.1, to be inserted between G.S. 58-135 and G.S. 58-136, as the same presently appear in Replacement Volume 2B of the General Statutes, to read as follows:

"§ 58-135.1. Prohibition against payment or receipt of title insurance kickbacks, rebates, commissions and other payments. — (a) No person or entity selling real property, or performing services as a real estate agent, attorney or lender, which services are incident to or a part of any real estate settlement or sale, shall pay or receive, directly or indirectly, any kickback, rebate, commission or other payment in connection with the issuance of title insurance for any real property which is a part of such sale or settlement; nor shall any title insurance company, agency or agent make any such payment.

(b) Any person or entity violating the provisions of this Chapter shall be guilty of a misdemeanor and subject to a fine of not more than one thousand dollars (\$1,000), or imprisonment for not more than six months, or both, in the discretion of the court.

(c) No persons or entity shall be in violation of this section solely by reason of ownership of stock in a bona fide title insurance company, agency, or agent. For purposes of this section, and in addition to any other statutory or regulatory requirements, a bona fide title insurance company, agency or agent is defined to be a company, agency or agent that passes upon and makes title insurance underwriting decisions on title risks, including the issuance of title insurance policies, binders and endorsements, and that maintains a separate and distinct staff and office or offices for such purposes."

Sec. 2. This act shall become effective on July 1, 1974.

In the General Assembly read three times and ratified, this the 12th day of April, 1974.