

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 870
HOUSE BILL 1426

AN ACT TO PROVIDE THAT MONEY SHALL NOT BE INCLUDED WHEN COMPUTING THE BOND OF A PERSONAL REPRESENTATIVE OR TESTAMENTARY TRUSTEE IF IT IS DEPOSITED IN AN INSURED ACCOUNT AND IT MAY NOT BE WITHDRAWN WITHOUT A COURT ORDER.

The General Assembly of North Carolina enacts:

Section 1. Article 8 of General Statutes Chapter 28A is amended by adding a new section to read as follows:

"§ 28A-8-1.1. Deposited money; exclusion in computing amount of bond. — Notwithstanding the provisions of G.S. 28A-8-1, in any proceeding for the determination of the amount of bond to be required of the personal representative or testamentary trustee, whether at the time of appointment or subsequently, when it appears that the estate of the decedent or the testamentary trust includes money which has been or will be deposited in a bank or banks in this State, or money which has been or will be invested in an account or accounts in an insured savings and loan association or associations upon condition that such money will not be withdrawn except on authorization of the court, the court may, in its discretion, order such money so deposited or so invested and shall exclude such deposited money from the computation of the amount of such bond or reduce the amount of bond to be required in respect of such money to such an amount as it may deem reasonable.

The petitioner for letters testamentary, of administration, or of trusteeship may deliver to any such bank or association any such money in his possession, or may allow such bank to retain any such money already in its possession, or may allow such association to retain any such money already invested with it; and, in either event, the petitioner shall secure and file with the court a written receipt including the agreement of the bank or association that such money shall not be allowed to be withdrawn except on authorization of the court. In so receiving and retaining such money, the bank or association shall be protected to the same extent as though it had received the same from a person to whom letters testamentary, of administration, or of trusteeship had been issued.

The term 'account in an insured savings and loan association' as used in this section means an account insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or by a mutual deposit guaranty association authorized by Article 7A of Chapter 54 of the General Statutes of North Carolina.

The term 'money' as used in this section means the principal of the decedent's estate and does not include the income earned by the principal of the decedent's estate which may be withdrawn without any authorization of the court."

Sec. 2. This act shall become effective on July 1, 1977.

In the General Assembly read three times and ratified, this the 1st day of July, 1977.