

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL 317

Short Title: Uniform Partition of Heirs Property Act. (Public)

Sponsors: Senators Sawrey, Lowe, and Settle (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 18, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE UNIFORM PARTITION OF HEIRS PROPERTY ACT.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. Article 2 of Chapter 46A of the General Statutes is amended by adding  
5 a new Part to read:

6 "Part 4. Uniform Partition of Heirs Property Act.

7 "§ 46A-87. Short title.

8 This Part shall be known and may be cited as the "Uniform Partition of Heirs Property Act."

9 "§ 46A-88. Definitions.

10 As used in this Part, the following definitions apply:

- 11 (1) Ascendant. – An individual who precedes another individual in lineage, in the  
12 direct line of ascent from the other individual.
- 13 (2) Collateral. – An individual who is related to another individual under the  
14 operation of the intestate succession provisions of Chapter 29 of the General  
15 Statutes but who is not the other individual's ascendant or descendant.
- 16 (3) Descendant. – An individual who follows another individual in lineage, in the  
17 direct line of descent from the other individual.
- 18 (4) Determination of value. – A court order determining the fair market value of  
19 heirs property under this Part or adopting the valuation of the property agreed  
20 to by all cotenants.
- 21 (5) Heirs property. – Real property held in tenancy in common which satisfies all  
22 of the following requirements as of the filing of a partition proceeding:
- 23 a. There is no agreement in a record binding all of the cotenants which  
24 governs the partition of the property.
- 25 b. One or more of the cotenants acquired title from a relative, whether  
26 living or deceased.
- 27 c. Any of the following apply:
- 28 1. Twenty percent (20%) or more of the interests are held by  
29 cotenants who are relatives.
- 30 2. Twenty percent (20%) or more of the interests are held by an  
31 individual who acquired title from a relative, whether living or  
32 deceased.
- 33 3. Twenty percent (20%) or more of the cotenants are relatives.
- 34 (6) Partition by sale. – A court-ordered sale of the entire heirs property, whether  
35 by auction, sealed bids, or open-market sale conducted under G.S. 46A-96.



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- 1           (7)    Partition in kind. – The division of heirs property into physically distinct and  
2               separately titled parcels.
- 3           (8)    Record. – Information that is inscribed on a tangible medium or that is stored  
4               in an electronic or other medium and is retrievable in perceivable form.
- 5           (9)    Relative. – An ascendant, descendant, or collateral or an individual otherwise  
6               related to another individual by blood, marriage, adoption, or law of this State  
7               other than this Part.

8    **"§ 46A-89. Applicability; relation to other law.**

9           (a)    In a proceeding to partition real property under Article 2 of this Chapter, the court  
10           shall determine whether the property is heirs property. If the court determines that the property  
11           is heirs property, the property shall be partitioned under this Part unless all of the cotenants  
12           otherwise agree in a record.

13           (b)    This Part supplements Article 1 of this Chapter and the other Parts of this Article and,  
14           if a proceeding is governed by this Part, replaces provisions of this Chapter that are inconsistent  
15           with this Part.

16    **"§ 46A-90. Service; notice by posting.**

17           (a)    This Part does not limit or affect the method by which service of a summons and  
18           notice in a partition proceeding may be made.

19           (b)    If the petitioner in a partition proceeding seeks authorization for notice by publication  
20           and the court determines that the property may be heirs property, the petitioner, not later than 10  
21           days after the court's determination, shall post a conspicuous sign on the property that is the  
22           subject of the proceeding. The sign must state that the proceeding has commenced and identify  
23           the name and address of the court and the common designation by which the property is known.  
24           The court may require the petitioner to publish on the sign the name of the petitioner and the  
25           known respondents.

26    **"§ 46A-91. Commissioners.**

27           If the court appoints commissioners pursuant to G.S. 46A-50 or G.S. 46A-76, each  
28           commissioner, in addition to the requirements and disqualifications applicable to commissioners  
29           in G.S. 46A-50, must be disinterested and impartial and not a party to or a participant in the  
30           proceeding.

31    **"§ 46A-92. Determination of value.**

32           (a)    Except as otherwise provided in subsections (b) and (c) of this section, if the court  
33           determines that the property that is the subject of a partition proceeding is heirs property, the  
34           court shall determine the fair market value of the property by ordering an appraisal pursuant to  
35           subsection (d) of this section.

36           (b)    If all cotenants have agreed to the value of the property or to another method of  
37           valuation, the court shall adopt that value or the value produced by the agreed method of  
38           valuation.

39           (c)    If the court determines that the evidentiary value of an appraisal is outweighed by the  
40           cost of the appraisal, the court, after an evidentiary hearing, shall determine the fair market value  
41           of the property and send notice to the parties of the value.

42           (d)    If the court orders an appraisal, the court shall appoint a disinterested real estate  
43           appraiser licensed in this State to determine the fair market value of the property assuming sole  
44           ownership of the fee simple estate. On completion of the appraisal, the appraiser shall file a sworn  
45           or verified appraisal with the court.

46           (e)    If an appraisal is conducted pursuant to subsection (d) of this section, not later than  
47           10 days after the appraisal is filed, the court shall send notice to each party with a known address,  
48           stating the following:

- 49               (1)    The appraised fair market value of the property.  
50               (2)    That the appraisal is available at the office of the clerk of superior court.

1           (3) That a party may file with the court an objection to the appraisal not later than  
2           30 days after the notice is sent, stating the grounds for the objection.

3           (f) If an appraisal is filed with the court pursuant to subsection (d) of this section, the  
4           court shall conduct a hearing to determine the fair market value of the property no sooner than  
5           30 days after a copy of the notice of the appraisal is sent to each party under subsection (e) of  
6           this section, whether or not an objection to the appraisal is filed under subdivision (3) of  
7           subsection (e) of this section. In addition to the court-ordered appraisal, the court may consider  
8           any other evidence of value offered by a party.

9           (g) After a hearing under subsection (f) of this section, but before considering the merits  
10           of the partition proceeding, the court shall determine the fair market value of the property and  
11           send notice to the parties of the value.

12           **§ 46A-93. Cotenant buyout.**

13           (a) If any cotenant requested partition by sale, after the determination of value under  
14           G.S. 46A-92, the court shall send notice to the parties that any cotenant except a cotenant that  
15           requested partition by sale may buy all the interests of the cotenants that requested partition by  
16           sale.

17           (b) No later than 45 days after the notice is sent under subsection (a) of this section, any  
18           cotenant except a cotenant that requested partition by sale may give notice to the court that the  
19           cotenant elects to buy all the interests of the cotenants that requested partition by sale.

20           (c) The purchase price for each of the interests of a cotenant that requested partition by  
21           sale is the value of the entire parcel determined under G.S. 46A-92 multiplied by the cotenant's  
22           fractional ownership of the entire parcel.

23           (d) After expiration of the period in subsection (b) of this section, the following rules  
24           apply:

25           (1) If only one cotenant elects to buy all the interests of the cotenants that  
26           requested partition by sale, the court shall notify all the parties of that fact.

27           (2) If more than one cotenant elects to buy all the interests of the cotenants that  
28           requested partition by sale, the court shall allocate the right to buy those  
29           interests among the electing cotenants based on each electing cotenant's  
30           existing fractional ownership of the entire parcel divided by the total existing  
31           fractional ownership of all cotenants electing to buy and send notice to all the  
32           parties of that fact and of the price to be paid by each electing cotenant.

33           (3) If no cotenant elects to buy all the interests of the cotenants that requested  
34           partition by sale, the court shall send notice to all the parties of that fact and  
35           resolve the partition proceeding under G.S. 46A-94(a) and (b).

36           (e) If the court sends notice to the parties under subdivision (1) or (2) of subsection (d)  
37           of this section, the court shall set a date, no sooner than 60 days after the date the notice was sent,  
38           by which electing cotenants must pay their apportioned price into the court. After the date set by  
39           the court, the following rules apply:

40           (1) If all electing cotenants timely pay their apportioned price into court, the court  
41           shall issue an order reallocating all the interests of the cotenants and disburse  
42           the amounts held by the court to the persons entitled to them.

43           (2) If no electing cotenant timely pays that cotenant's apportioned price, the court  
44           shall resolve the partition proceeding under G.S. 46A-94(a) and (b) as if the  
45           interests of the cotenants that requested partition by sale were not purchased.

46           (3) If one or more but not all of the electing cotenants fail to pay their apportioned  
47           price on time, the court shall give notice to the electing cotenants that paid  
48           their apportioned price of the interest remaining and the price for all that  
49           interest.

50           (f) No later than 20 days after the court gives notice pursuant to subdivision (3) of  
51           subsection (e) of this section, any cotenant that paid may elect to purchase all of the remaining

1 interest by paying the entire price into the court. After the 20-day period, the following rules  
2 apply:

- 3 (1) If only one cotenant pays the entire price for the remaining interest, the court  
4 shall issue an order reallocating the remaining interest to that cotenant. The  
5 court shall promptly issue an order reallocating the interests of all of the  
6 cotenants and disburse the amounts held by the court to the persons entitled to  
7 them.
- 8 (2) If no cotenant pays the entire price for the remaining interest, the court shall  
9 resolve the partition proceeding under G.S. 46A-94(a) and (b) as if the  
10 interests of the cotenants that requested partition by sale were not purchased.
- 11 (3) If more than one cotenant pays the entire price for the remaining interest, the  
12 court shall reapportion the remaining interest among those paying cotenants,  
13 based on each paying cotenant's original fractional ownership of the entire  
14 parcel divided by the total original fractional ownership of all cotenants that  
15 paid the entire price for the remaining interest. The court shall promptly issue  
16 an order reallocating all of the cotenants' interests, disburse the amounts held  
17 by the court to the persons entitled to them, and promptly refund any excess  
18 payment held by the court.

19 (g) No later than 45 days after the court sends notice to the parties pursuant to subsection  
20 (a) of this section, any cotenant entitled to buy an interest under this section may request the court  
21 to authorize the sale as part of the pending proceeding of the interests of cotenants named as  
22 respondents and served with the complaint but that did not appear in the proceeding.

23 (h) If the court receives a timely request under subsection (g) of this section, the court,  
24 after hearing, may deny the request or authorize the requested additional sale on such terms as  
25 the court determines are fair and reasonable, subject to all of the following limitations:

- 26 (1) A sale authorized under this subsection may occur only after the purchase  
27 prices for all interests subject to sale under subsections (a) through (f) of this  
28 section have been paid into the court and those interests have been reallocated  
29 among the cotenants as provided in those subsections.
- 30 (2) The purchase price for the interest of a non-appearing cotenant is based on the  
31 court's determination of value under G.S. 46A-92.

32 **"§ 46A-94. Partition alternatives.**

33 (a) If all the interests of all cotenants that requested partition by sale are not purchased  
34 by other cotenants pursuant to G.S. 46A-93, or if, after conclusion of the buyout under  
35 G.S. 46A-93, a cotenant remains that has requested partition in kind, the court shall order  
36 partition in kind unless the court, after consideration of the factors listed in G.S. 46A-95, finds  
37 that partition in kind will result in substantial injury to the cotenants as a group. In considering  
38 whether to order partition in kind, the court shall approve a request by two or more parties to  
39 have their individual interests aggregated.

40 (b) If the court does not order partition in kind under subsection (a) of this section, the  
41 court shall order partition by sale pursuant to G.S. 46A-96 or, if no cotenant requested partition  
42 by sale, the court shall dismiss the proceeding.

43 (c) If the court orders partition in kind pursuant to subsection (a) of this section, the court  
44 may require that one or more cotenants pay one or more other cotenants' amounts so that the  
45 payments, taken together with the value of the in-kind distributions to the cotenants, will make  
46 the partition in kind just and proportionate in value to the fractional interests held.

47 (d) If the court orders partition in kind, the court shall allocate to the cotenants that are  
48 unknown, unlocatable, or the subject of a default judgment, if their interests were not bought out  
49 pursuant to G.S. 46A-93, a part of the property representing the combined interests of these  
50 cotenants as determined by the court and the shares of these cotenants shall be apportioned  
51 together as one parcel.

**"§ 46A-95. Considerations for partition in kind.**

(a) In determining under G.S. 46A-94(a) whether partition in kind would result in substantial injury to the cotenants as a group, the court shall consider the following:

- (1) Whether the heirs property practicably can be divided among the cotenants.
- (2) Whether partition in kind would apportion the property in such a way that the aggregate fair market value of the parcels resulting from the division would be materially less than the value of the property if it were sold as a whole, taking into account the condition under which a court-ordered sale likely would occur.
- (3) Evidence of the collective duration of ownership or possession of the property by a cotenant and one or more predecessors in title or predecessors in possession to the cotenant who are or were relatives of the cotenant or each other.
- (4) A cotenant's sentimental attachment to the property, including any attachment arising because the property has ancestral or other unique or special value to the cotenant.
- (5) The lawful use being made of the property by a cotenant and the degree to which the cotenant would be harmed if the cotenant could not continue the same use of the property.
- (6) The degree to which the cotenants have contributed their pro rata share of the property taxes, insurance, and other expenses associated with maintaining ownership of the property or have contributed to the physical improvement, maintenance, or upkeep of the property.
- (7) Any other relevant factor.

(b) The court may not consider any one factor in subsection (a) of this section to be dispositive without weighing the totality of all relevant factors and circumstances.

**"§ 46A-96. Open-market sale; sealed bids; auction.**

(a) If the court orders a sale of heirs property, the sale must be an open-market sale unless the court finds that a sale by sealed bids or an auction would be more economically advantageous and in the best interest of the cotenants as a group.

(b) If the court orders an open-market sale and the parties, not later than 10 days after the entry of the order, agree on a real estate broker licensed in this State to offer the property for sale, the court shall appoint the broker and establish a reasonable commission. If the parties do not agree on a broker, the court shall appoint a disinterested real estate broker licensed in this State to offer the property for sale and shall establish a reasonable commission. The broker shall offer the property for sale in a commercially reasonable manner at a price no lower than the determination of value and on the terms and conditions established by the court.

(c) If the broker appointed under subsection (b) of this section obtains within a reasonable time an offer to purchase the property for at least the determination of value, then the following apply:

- (1) The broker shall comply with the reporting requirements in G.S. 46A-97.
- (2) The sale may be completed in accordance with State law other than this Part.

(d) If the broker appointed under subsection (b) of this section does not obtain within a reasonable time an offer to purchase the property for at least the determination of value, the court, after hearing, may do any of the following:

- (1) Approve the highest outstanding offer, if any.
- (2) Redetermine the value of the property and order that the property continue to be offered for an additional time.
- (3) Order that the property be sold by sealed bids or at an auction.

1       (e) If the court orders a sale by sealed bids or an auction, the court shall set terms and  
2 conditions of the sale. If the court orders an auction, the auction must be conducted under  
3 G.S. 46A-76.

4       (f) If a purchaser is entitled to a share of the proceeds of the sale, the purchaser is entitled  
5 to a credit against the price in an amount equal to the purchaser's share of the proceeds.

6 **"§ 46A-97. Report of open-market sale.**

7       (a) A broker appointed under G.S. 46A-96(b) to offer heirs property for open-market sale  
8 shall file a report with the court not later than seven days after receiving an offer to purchase the  
9 property for at least the value determined under G.S. 46A-92 or G.S. 46A-96.

10       (b) The report required by subsection (a) of this section must contain all of the following  
11 information:

12           (1) A description of the property to be sold to each buyer.

13           (2) The name of each buyer.

14           (3) The proposed purchase price.

15           (4) The terms and conditions of the proposed sale, including the terms of any  
16 owner financing.

17           (5) The amounts to be paid to lienholders, if any.

18           (6) A statement of contractual or other arrangements or conditions of the broker's  
19 commission.

20           (7) Any other material facts relevant to the sale.

21 **"§ 46A-98. Uniformity of application and construction.**

22       In applying and construing this uniform act, consideration must be given to the need to  
23 promote uniformity of the law with respect to its subject matter among states that enact it.

24 **"§ 46A-99. Relation to the Electronic Signatures in Global and National Commerce Act.**

25       This Part modifies, limits, and supersedes the Electronic Signatures in Global and National  
26 Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede § 101(c) of  
27 that act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in  
28 § 103(b) of that act, 15 U.S.C. § 7003(b)."

29       **SECTION 2.** G.S. 46A-26 reads as rewritten:

30 **"§ 46A-26. Methods of partition.**

31       In a partition proceeding under this Article, the court shall order one of the following methods  
32 of partitioning the real property:

33           (1) Actual partition under Part 2 of this Article.

34           (2) Partition sale under Part 3 of this Article so long as the requirements of that  
35 Part are satisfied.

36           (3) Actual partition of part of the property and a partition sale of the remaining  
37 part.

38           (4) Partition of part of the property, whether by actual partition or by partition  
39 sale, and order that the remaining part continue to be held in cotenancy. The  
40 court, however, shall not order a cotenant to continue to hold property in  
41 cotenancy over the cotenant's objection.

42           (5) If the property is determined to be heirs property, as defined in G.S. 46A-88,  
43 then partition under Part 4 of this Article as a partition of heirs property."

44       **SECTION 3.** This act becomes effective January 1, 2026, and applies to petitions  
45 for partition filed on or after that date.