

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE BILL 687  
Committee Substitute Favorable 6/25/07

Short Title: Funds Held for Minors/Fee.

(Public)

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Sponsors:

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Referred to:

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March 15, 2007

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE FEE ASSESSED BY THE CLERK OF COURT FOR FUNDS TO BE INVESTED BY THE CLERK AND TO AUTHORIZE THE COURTS TO REQUIRE BONDING AND ACCOUNTING RELATED TO TRUSTS FOR MINORS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 7A-308.1(2) reads as rewritten:

"(2) On all funds to be invested by the clerk pursuant to G.S. 7A-112, a fee equal to ~~five percent (5%)~~ two and one-half percent (2.5%) of each fund shall be assessed and collected, subject to the following conditions:

- a. The fee shall be charged and deducted from each fund before the fund is invested, and only the balance shall be invested;
- b. Over the life of an account, the fees charged on the initial funds and all funds subsequently placed with the clerk for that account shall not exceed the investment earnings on the account or one thousand dollars (\$1,000), whichever is less;
- c. All fees collected pursuant to this subsection shall be remitted to the State Treasurer for the support of the General Court of Justice; and
- d. Any fees charged in excess of the cumulative investment earnings on an account shall be refunded and all investment earnings in excess of the prescribed fee shall be remitted to the beneficial owner or owners when all funds in that account are finally withdrawn and distributed by the clerk."

**SECTION 2.** G.S. 35A-1227 of the General Statutes is amended by adding a new subsection to read:

"(e) When a minor is awarded a judgment or otherwise receives funds in a civil action or special proceeding and the judgment or order contemplates the establishment

1 of a trust for the benefit of the minor in which the funds received in the civil action  
2 would be placed, the presiding judge may require accountings to the court in accordance  
3 with G.S. 36C-2-208 and bonding of the trustee in accordance with G.S. 36C-7-702."

4 **SECTION 3.** Section 1 of this act becomes effective July 1, 2007, and  
5 applies to funds invested by the clerk on or after that date. The remainder of this act  
6 becomes effective July 1, 2007.