

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30334-CIa-8

Short Title: Est. Procedure/Complex Family Financial Cases. (Public)

Sponsors: Representative Stevens.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH A PROCEDURE FOR COMPLEX FAMILY FINANCIAL CASE
DISPOSITION.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 50 of the General Statutes is amended by adding a new Article
to read:

"Article 6.

"Complex Family Financial Cases.

"§ 50-110. Definitions.

The following definitions shall apply in this Article:

- (1) Chief hearing officer. – A hearing officer designated by the Chief Justice of the North Carolina Supreme Court who determines which cases are designated as complex family financial cases, assigns all cases designated as complex family financial cases, and prepares any required reports.
- (2) Complex family financial case. – Any claim or claims approved for hearing as a complex family financial case as provided for by this Article. Claims eligible for hearing as a complex family financial case are equitable distribution, alimony, post separation support, child support, or any combination of those claims.
- (3) Hearing officer or complex family financial hearing officer. – An individual who has been appointed pursuant to this Article to hear and enter orders in complex family financial cases.

"§ 50-111. Complex family financial hearing officer.

(a) Complex family financial hearing officers shall be employees of the Administrative Office of the Courts and shall be appointed by the Chief Justice of the North Carolina Supreme Court. The Chief Justice of the North Carolina Supreme Court shall designate one hearing officer as chief hearing officer.

(b) To serve as a hearing officer or chief hearing officer, the individual must meet the following minimum qualifications:

- (1) Attorney licensed in North Carolina and in good standing with the North Carolina State Bar.
- (2) Substantial involvement handling complex family financial cases during the 10 calendar years prior to the year of application, including the following:
 - a. Average at least 600 hours per year handling complex family financial cases.



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- b. No less than 400 hours handling complex family financial cases in any one year.
- (3) During the five calendar years prior to the application:
- a. Completed at least 45 hours of continuing legal education credits in family law, nine of which may be in related fields, including taxation, trial advocacy, evidence, negotiation, including training in mediation, arbitration, and collaborative law, real property, estate planning and probate law, trusts, business organizations, employee benefits, bankruptcy, and immigration law. Only nine hours will be recognized for attendance at an extended negotiation or mediation training course. Parenting coordinator training will not qualify for family law or related field hours.
- b. A minimum of six hours continuing legal education must have been completed in each of those five years.
- (4) Satisfactory peer review by 10 lawyers or judges who are identified by the applicant. The identified individuals must have personal knowledge of the competence and qualification of the applicant in handling complex family financial matters at the pretrial, trial, and posttrial level. All identified individuals must be licensed and in good standing to practice law in the State of North Carolina. No identified individual may be related by blood or marriage to the applicant nor be a colleague at the applicant's place of employment at the time of the application.
- (c) A hearing officer and the chief hearing officer shall receive the annual salary set forth in the Current Operations Appropriations Act for business court judges and the chief business court judge, and reimbursement on the same basis as State employees generally by G.S. 138-6(a), provided that no travel allowance be paid for travel within a hearing officer's county of residence. The Administrative Office of the Courts may also reimburse a hearing officer, in addition to the above funds for travel, for travel and subsistence expenses incurred for professional education.
- (d) In lieu of merit and other increment raises paid to regular State employees, a hearing officer shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of Justice, as a member of the Utilities Commission, as an administrative law judge, as director or assistant director of the Administrative Office of the Courts, or as a hearing officer. Service shall also mean service as a district attorney or as a clerk of superior court.
- "§ 50-112. Authority and duties of a complex family financial case hearing officer.**
- (a) A hearing officer under this Article has the following authority and responsibilities in all complex family financial cases:
- (1) To conduct hearings and to ensure that the parties' due process rights are protected.
- (2) To take testimony and establish a record.
- (3) To evaluate evidence and make decisions regarding the issues being heard.
- (4) To enter temporary, interim, and final orders related to the issues being heard that have the same force and effect as orders entered by a district court judge.
- (5) To enter orders granting or denying any motion filed under G.S. 1A-1 or any local rules of court for the county in which the action was filed related to actions under this Chapter that have the same force and effect as orders entered by a district court judge.

(6) To subpoena witnesses and documents.

(b) A hearing officer under this Article is authorized to conduct hearings on complex family financial cases statewide.

(c) A hearing officer must complete at least nine hours of continuing legal education credits in family law or related fields each year, including taxation, trial advocacy, evidence, negotiation (including training in mediation, arbitration, and collaborative law), real property, estate planning and probate law, trusts, business organizations, employee benefits, bankruptcy, and immigration law. Only one hour per year will be recognized for attendance at negotiation or mediation training, and parenting coordinator training will not qualify for family law or related field hours.

"§ 50-113. Designation of a complex family financial claim.

(a) A party designating a claim as a complex family financial claim shall file a Notice of Designation in the district court in which the action has been filed and shall contemporaneously serve the notice on all parties or counsel and on the chief hearing officer. The Notice of Designation shall, in good faith and based on information reasonably available, succinctly state each applicable factor provided in G.S. 50-114, the reasons supporting each factor for designation as a complex family financial claim, and any other information supporting designation as a complex family financial claim. Any factor or reasons supporting the designation not asserted shall be deemed conclusively waived.

(b) Within 30 days after service of the Notice of Designation, any other party may, in good faith, file and serve an opposition to the designation of the claim as a complex family financial claim. The opposition to the designation of the claim shall assert all reasons for which the party opposing designation objects to the designation, and any reason not asserted shall be deemed conclusively waived. The opposition to the designation shall be served on each opposing party and the chief hearing officer and shall be filed in the district court in which the action has been filed.

(c) Based on the written Notice of Designation and any opposition filed, the chief hearing officer shall determine whether the action should be designated as a complex family financial claim by written order entered within 45 days of service of the Notice of Designation.

(d) Each party shall pay equal shares of the additional filing fee as required under G.S. 7A-305. Only one additional filing fee shall be required per complex family financial case.

(e) Once an order granting designation of a claim as a complex family financial claim is entered, that claim shall be designated and administered as a complex family financial case and assigned to a hearing officer by the chief hearing officer. All proceedings related to the claims designated as a complex family financial claim shall be before the hearing officer to whom the complex family financial case has been assigned. If complex family financial claim status is denied, the claim shall be heard with any other claims filed under this Chapter.

(f) Complex family financial cases are subject to all provisions of Article 1 of this Chapter, the North Carolina Rules of Civil Procedure, the North Carolina Rules of Evidence, and any applicable local rules of court for the county in which the complex family financial case is pending.

"§ 50-114. Factors for complex family financial case determination.

The chief hearing officer shall consider each of the following factors in determining whether a claim or claims shall be designated as a complex family financial case:

(1) Valuation and classification issues related to trusts, including active and passive increases or decreases in value.

(2) Valuation and classification issues related to businesses, including active or passive increases or decreases in value.

(3) Valuation and classification of real property, including active or passive increases or decreases in value.

- (4) Valuation and classification issues regarding complex retirement or other employment benefits, including employee stock ownership plans, stock options, profit sharing, defined contribution plans, and defined benefit plans.
- (5) Valuation and classification of profits, bonuses, or other income or assets received after the date of separation.
- (6) Active or passive changes in value to separate property during the marriage.
- (7) Tax issues arising from the distribution of assets and debts, including tax loss carryforwards, refunds, credits, or tax consequences.
- (8) Whether there are loans or transfers between businesses or shareholders.
- (9) Whether there are third-party defendants.
- (10) Validity of a premarital or property settlement agreement pled in defense to an equitable distribution, alimony, post separation support, or child support case.
- (11) Total value of real and personal property.
- (12) Calculation of income for spousal support, child support, or both when income includes non W-2 income.
- (13) Total length of time requested for trial on the issues detailed on the Notice of Designation.

Claims which have been filed in excess of 365 days shall be given priority over claims filed less than 365 days, and requested trial dates for the complex family financial case in excess of 15 days shall be given priority.

"§ 50-115. Complex family financial hearings.

(a) Motion hearings shall be held virtually unless the assigned hearing officer determines good cause exists to hold in the hearing in person. If an in-person hearing is ordered, it shall be held at the courthouse in the county in which the action was filed in an available district or superior courtroom staffed by a deputy or assistant clerk and bailiff.

(b) Hearings on the issues designated as a complex family financial case shall be held in person at the courthouse in the county in which the action was filed in an available district or superior courtroom staffed by a deputy or assistant clerk and bailiff.

(c) All complex family financial hearings must be recorded and exhibits maintained as required for any other matter.

(d) Any hearing on final disposition of the complex family financial case must be scheduled on consecutive days.

"§ 50-116. Appeal from orders of the complex family financial case hearing officer.

Appeals of orders entered by a hearing officer shall be as provided for in G.S. 7A-27(b)."

SECTION 2.1. Three hearing officers shall be appointed by the Chief Justice of the North Carolina Supreme Court who meet the requirements of G.S. 50-111(b). The Chief Justice of the North Carolina Supreme Court shall designate one of the hearing officers as chief hearing officer. The Chief Justice of the North Carolina Supreme Court has the authority to create additional rules or procedures necessary to give effect to the provisions of this act.

SECTION 2.2. The chief hearing officer and the Administrative Office of the Courts shall collaborate to prepare and submit an initial report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Fiscal Research Division on or before August 1, 2026, and shall provide an annual report on or before August 1 of each year thereafter, including the following information:

- (1) The total number of cases designated as complex family financial cases by county.
- (2) The total number of complex family financial cases disposed of.
- (3) The manner of disposition of each complex family financial case, including the total number of cases for each type of disposition.
- (4) The average length of final disposition hearings.

- (5) The shortest, longest, and average length of time from designation to final disposition.
- (6) The total number of requests for designation as complex family financial cases.
- (7) Recommendations for improvement or expansion of the program.
- Each annual report shall include data for the previous fiscal year.

SECTION 3. G.S. 7A-305 reads as rewritten:

"§ 7A-305. Costs in civil actions.

(a) In every civil action in the superior or district court, except for actions brought under Chapter 50B of the General Statutes, shall be assessed:

- (1) For the use of the courtroom and related judicial facilities, the sum of twelve dollars (\$12.00) in cases heard before a magistrate, and the sum of sixteen dollars (\$16.00) in district and superior court, to be remitted to the county in which the judgment is rendered, except that in all cases in which the judgment is rendered in facilities provided by a municipality, the facilities fee shall be paid to the municipality. Funds derived from the facilities fees shall be used in the same manner, for the same purposes, and subject to the same restrictions, as facilities fees assessed in criminal actions.
- (1a) For the upgrade, maintenance, and operation of the judicial and county courthouse telecommunications and data connectivity, the sum of four dollars (\$4.00), to be credited to the Court Information Technology Fund.
- (2) For support of the General Court of Justice, the sum of one hundred eighty dollars (\$180.00) in the superior court and the sum of one hundred thirty dollars (\$130.00) in the district court except that if the case is assigned to a magistrate the sum shall be eighty dollars (\$80.00). If a case is designated as a mandatory complex business case under G.S. 7A-45.4, upon assignment to a Business Court Judge, the party filing the designation shall pay an additional one thousand one hundred dollars (\$1,100) for support of the General Court of Justice. If a case is designated as a complex business case under Rule 2.1 and Rule 2.2 of the General Rules of Practice for the Superior and District Courts, upon assignment to a Business Court Judge, the plaintiff shall pay an additional one thousand one hundred dollars (\$1,100) for support of the General Court of Justice. If a claim is designated as a complex family financial claim under G.S. 50-113, upon assignment to a complex family financial hearing officer as defined in G.S. 50-110(3), each party shall equally pay an additional one thousand one hundred dollars (\$1,100) for support of the General Court of Justice. Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of ninety-five cents (\$.95) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.19.

(a1) Costs apply to any and all additional and subsequent actions filed by amendment or counterclaim to the original action brought under Chapter 50B of the General Statutes, unless such additional and subsequent amendment or counterclaim to the action is limited to requests for relief authorized by Chapter 50B of the General Statutes.

(a2) In every action for absolute divorce filed in the district court, a cost of seventy-five dollars (\$75.00) shall be assessed against the person filing the divorce action. Costs collected by the clerk pursuant to this subsection shall be remitted to the State Treasurer, who shall deposit seventy-five dollars (\$75.00) to the Domestic Violence Center Fund established under G.S. 50B-9. Costs assessed under this subsection shall be in addition to any other costs assessed under this section.

(a3), (a4) Repealed by Session Laws 2008-118, s. 2.9(c), effective July 1, 2008.

(a5) In every civil action in the superior or district court wherein a party files a pleading containing one or more counterclaims, third-party complaints, or cross-claims, except for counterclaim and cross-claim actions brought under Chapter 50B of the General Statutes for which costs are assessed pursuant to subsection (a1) of this section, the following shall be assessed:

- (1) For the use of the courtroom and related judicial facilities, the sum of twelve dollars (\$12.00) in cases heard before a magistrate, and the sum of sixteen dollars (\$16.00) in district and superior court, to be remitted to the municipality providing the facilities in which the judgment is rendered. If a municipality does not provide the facilities in which the judgment is rendered, the sum is to be remitted to the county in which the judgment is rendered. Funds derived from the facilities' fees shall be used in the same manner, for the same purposes, and subject to the same restrictions as facilities' fees assessed in criminal actions.
- (2) For the upgrade, maintenance, and operation of the judicial and county courthouse phone systems, the sum of four dollars (\$4.00), to be credited to the Court Information Technology Fund.
- (3) For support of the General Court of Justice, the sum of one hundred eighty dollars (\$180.00) in the superior court, except that if a case is assigned to a special superior court judge as a complex business case under G.S. 7A-45.3, filing fees shall be collected and disbursed in accordance with subsection (a) of this section, and the sum of one hundred thirty dollars (\$130.00) in the district court, except that if the case is assigned to a magistrate, the sum shall be eighty dollars (\$80.00). Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of ninety-five cents (\$.95) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.19.

(b) On appeal, costs are cumulative, and when cases heard before a magistrate are appealed to the district court, the General Court of Justice fee and the facilities fee applicable in the district court shall be added to the fees assessed before the magistrate. When an order of the clerk of the superior court is appealed to either the district court or the superior court, no additional General Court of Justice fee or facilities fee shall be assessed.

(b1) When a defendant files an answer in an action filed as a small claim which requires the entire case to be withdrawn from a magistrate and transferred to the district court, the difference between the General Court of Justice fee and facilities fee applicable to the district court and the General Court of Justice fee and facilities fee applicable to cases heard by a magistrate shall be assessed. The defendant is responsible for paying the fee.

(c) The clerk of superior court, at the time of the filing of the papers initiating the action or the appeal, shall collect as advance court costs, the facilities fee, General Court of Justice fee, and the divorce fee imposed under subsection (a2) of this section, except in suits by an indigent. The clerk shall also collect the fee for discovery procedures under Rule 27(a) and (b) at the time of the filing of the verified petition.

(d) The following expenses, when incurred, are assessable or recoverable, as the case may be. The expenses set forth in this subsection are complete and exclusive and constitute a limit on the trial court's discretion to tax costs pursuant to G.S. 6-20:

- (1) Witness fees, as provided by law.
- (2) Jail fees, as provided by law.
- (3) Counsel fees, as provided by law.
- (4) Expense of service of process by certified mail and by publication.

- (5) Costs on appeal to the superior court, or to the appellate division, as the case may be, of the original transcript of testimony, if any, insofar as essential to the appeal.
- (6) Fees for personal service and civil process and other sheriff's fees, as provided by law. Fees for personal service by a private process server may be recoverable in an amount equal to the actual cost of such service or fifty dollars (\$50.00), whichever is less, unless the court finds that due to difficulty of service a greater amount is appropriate.
- (7) Fees of mediators appointed by the court, mediators agreed upon by the parties, guardians ad litem, referees, receivers, commissioners, surveyors, arbitrators, appraisers, and other similar court appointees, as provided by law. The fee of such appointees shall include reasonable reimbursement for stenographic assistance, when necessary.
- (8) Fees of interpreters, when authorized and approved by the court.
- (9) Premiums for surety bonds for prosecution, as authorized by G.S. 1-109.
- (10) Reasonable and necessary expenses for stenographic and videographic assistance directly related to the taking of depositions and for the cost of deposition transcripts.
- (11) Reasonable and necessary fees of expert witnesses solely for actual time spent providing testimony at trial, deposition, or other proceedings.
- (12) The fee assessed pursuant to subdivision (2) of subsection (a) of this section upon assignment of a case to a special superior court judge as a complex business case.

Nothing in this subsection or in G.S. 6-20 shall be construed to limit the trial court's authority to award fees and expenses in connection with pretrial discovery matters as provided in Rule 26(b) or Rule 37 of the Rules of Civil Procedure, and no award of costs made pursuant to this section or pursuant to G.S. 6-20 shall reverse or modify any such orders entered in connection with pretrial discovery.

(e) Nothing in this section shall affect the liability of the respective parties for costs as provided by law.

(f) For the support of the General Court of Justice, the sum of twenty dollars (\$20.00) shall accompany any filing of a notice of hearing on a motion not listed in G.S. 7A-308 that is filed with the clerk. No costs shall be assessed to a notice of hearing on a motion containing as a sole claim for relief the taxing of costs, including attorneys' fees, to a motion filed pursuant to G.S. 1C-1602 or G.S. 1C-1603, or to a motion filed by a child support enforcement agency established pursuant to Part D of Title IV of the Social Security Act. No more than one fee shall be assessed for any motion for which a notice of hearing is filed, regardless of whether the hearing is continued, rescheduled, or otherwise delayed."

SECTION 4. G.S. 7A-27 reads as rewritten:

"§ 7A-27. Appeals of right from the courts of the trial divisions.

(a) Appeal lies of right directly to the Supreme Court in any of the following cases:

- (1) All cases in which the defendant is convicted of murder in the first degree and the judgment of the superior court includes a sentence of death.
- (2) From any final judgment in a case designated as a mandatory complex business case pursuant to G.S. 7A-45.4 or designated as a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.
- (3) From any interlocutory order of a Business Court Judge that does any of the following:
 - a. Affects a substantial right.

- 1 b. In effect determines the action and prevents a judgment from which an
2 appeal might be taken.
3 c. Discontinues the action.
4 d. Grants or refuses a new trial.
5 (4) Any trial court's decision regarding class action certification under G.S. 1A-1,
6 Rule 23.
7 (5) Repealed by Session Laws 2021-18, s. 1, effective July 1, 2021, and applicable
8 to appeals filed on or after that date.
9 (a1) Repealed by Session Laws 2016-125, s. 22(b), 4th Ex. Sess., effective December 1,
10 2016.
11 (b) Except as provided in subsection (a) of this section, appeal lies of right directly to the
12 Court of Appeals in any of the following cases:
13 (1) From any final judgment of a superior court, other than one based on a plea of
14 guilty or nolo contendere, including any final judgment entered upon review
15 of a decision of an administrative agency, except for a final judgment entered
16 upon review of a court martial under G.S. 127A-62.
17 (2) From any final judgment of a district court in a civil action.
18 (3) From any interlocutory order or judgment of a superior court or district court
19 in a civil action or proceeding that does any of the following:
20 a. Affects a substantial right.
21 b. In effect determines the action and prevents a judgment from which an
22 appeal might be taken.
23 c. Discontinues the action.
24 d. Grants or refuses a new trial.
25 e. Determines a claim prosecuted under G.S. 50-19.1.
26 f. Grants temporary injunctive relief restraining the State or a political
27 subdivision of the State from enforcing the operation or execution of
28 an act of the General Assembly. This sub-subdivision only applies
29 where the State or a political subdivision of the State is a party in the
30 civil action.
31 g. Denies, upon the court's own motion or the motion of a party, the
32 transfer of an action or proceeding pursuant to Rule 42(b)(4) of the
33 North Carolina Rules of Civil Procedure.
34 (4) From any other order or judgment of the superior court from which an appeal
35 is authorized by statute.
36 (5) From any final judgment in a complex family financial case of a hearing
37 officer as defined in G.S. 50-110(3).
38 (6) From any interlocutory order or judgment of a hearing officer as defined in
39 G.S. 50-110(3) in a complex family financial case that does any of the
40 following:
41 a. Affects a substantial right.
42 b. In effect determines the action and prevents a judgment from which an
43 appeal might be taken.
44 c. Discontinues the action.
45 d. Grants or refuses a new trial.
46 e. Determines a claim prosecuted under G.S. 50-19.1.
47 (c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

48 **SECTION 5.** This act becomes effective July 1, 2025. The Chief Justice of the North
49 Carolina Supreme Court shall appoint the three hearing officers and designate the chief hearing
50 officer as provided for in Section 1 of this act by September 1, 2025. Notices of Designation can
51 be filed beginning January 1, 2026.