

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL DRS35163-NO-45A

Short Title: Title Fraud Prevention. (Public)

Sponsors: Senators Sawrey, Daniel, and B. Newton (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PREVENT TITLE FRAUD BY AUTHORIZING THE REGISTER OF DEEDS  
3 TO REQUIRE THE PRODUCTION OF A GOVERNMENT-ISSUED PHOTOGRAPHIC  
4 IDENTIFICATION CARD BEFORE RECORDING A DEED OR CERTAIN OTHER  
5 INSTRUMENTS AND PROVIDING FOR A SEPARATE CAUSE OF ACTION TO  
6 QUIET TITLE AFTER AN ATTEMPTED FRAUDULENT CONVEYANCE.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. Article 2 of Chapter 161 of the General Statutes is amended by adding  
9 a new section to read:

10 "**§ 161-32. Identity verification.**

11 (a) Definitions. – The following definitions apply in this section:

12 (1) Instrument. – Any document that purports to convey title to, or an interest in,  
13 real property, such as a deed, deed of trust, or other similar document.

14 (2) Trusted submitter. – Includes all of the following:

15 a. A title insurance company as described in Article 26 of Chapter 28 of  
16 the General Statutes.

17 b. An attorney licensed to practice in this State.

18 c. A financial institution as defined in G.S. 53B-2.

19 (b) Identity Verification. – Notwithstanding any other provision to the contrary in this  
20 Chapter, when an instrument is presented to the register of deeds for registration by an individual  
21 who is not a trusted submitter or the authorized agent of a trusted submitter, the register of deeds  
22 shall require the person presenting the instrument to produce a government-issued photographic  
23 identification card as follows:

24 (1) If an individual who is not a trusted submitter or an authorized agent of a  
25 trusted submitter presents an instrument to the register of deeds for registration  
26 in person, the register of deeds shall require the individual to produce a  
27 government-issued photographic identification card for inspection by the  
28 register of deeds before registering the instrument. The register of deeds must  
29 record the name and address of such person, as the information appears on the  
30 identification card, in a record to be kept by the register of deeds, along with  
31 the official records book and page number or instrument number of the  
32 instrument registered in connection to the production of the identification  
33 card. Such a record may not be made available for viewing on the register of  
34 deeds' official public website but shall be made available for public inspection  
35 and copying as required by the public records laws of this State.



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1           (2) If an individual who is not a trusted submitter or an authorized agent of a  
2 trusted submitter presents an instrument in the form of an electronic  
3 document, as defined in G.S. 47-16.3(2), to the register of deeds, as provided  
4 by Article 1A of Chapter 47 of the General Statutes, the register of deeds shall  
5 require the individual to submit a photocopy of a government-issued  
6 photographic identification card before registering the instrument. The  
7 register of deeds must note on the photocopy of the identification card the  
8 official records book and page number or instrument number assigned to the  
9 instrument registered in connection to the submission of the photocopy of the  
10 identification card and retain the photocopy of such identification card in a  
11 record to be kept by the register of deeds. Such a record may not be made  
12 available for viewing on the register of deeds' official public website but shall  
13 be made available for public inspection and copying as required by the public  
14 records laws of this State. However, a person who submits a photocopy of his  
15 or her identification card under this subsection may redact from the photocopy  
16 of such identification card before submission all of the information he or she  
17 does not wish to be made public, except for his or her name, address, and  
18 photograph.

19           (c) Refusing to Register. – Notwithstanding any other provision to the contrary in this  
20 Chapter, the register of deeds shall refuse to register an instrument if one of the following occurs:

21           (1) The individual presenting the instrument for registration is not a trusted  
22 submitter or an authorized representative of a trusted submitter and fails to  
23 provide the register of deeds with a government-issued photographic  
24 identification card as required by subsection (b) of this section.

25           (2) The individual presenting the instrument for registration is not a trusted  
26 submitter or an authorized representative of a trusted submitter and the name  
27 on the government-issued photographic identification card presented by the  
28 individual pursuant to subsection (b) of this section does not match the name  
29 of the grantor or conveying party in the instrument presented for registration.

30           (d) Notice of Requirements. – The register of deeds shall provide notice of the identity  
31 verification requirement described in subsection (b) of this section to the register of deeds' official  
32 public website.

33           (e) Legal Protections and Remedies. – There is no right or cause of action against, and  
34 no civil liability on the part of, the register of deeds or the county with respect to the register of  
35 deeds' requirement of an identification card, or any refusal to register an instrument as allowed  
36 by subsection (c) of this section.

37           (f) Confidentiality. – Nothing in this section shall be construed to require the register of  
38 deeds to provide or allow access to a record or other information that is considered confidential  
39 information as defined by G.S. 132-1.2."

40           **SECTION 2.** Article 1 of Chapter 41 of the General Statutes is amended by adding  
41 a new section to read:

42 **"§ 41-10.2 Titles quieted; fraudulent instruments.**

43           (a) As used in this section, the term "instrument" means any of the following:

44           (1) A transfer of title to real property by deed or devise or other instrument  
45 transferring title to real property.

46           (2) A deed of trust, mortgage, judgment, lien, encumbrance, financing statement,  
47 affidavit, notice, memorandum, or any other instrument that establishes a  
48 security interest in real property.

49           (3) A contract, right of refusal, or any other instrument that purports to establish  
50 an interest, encumbrance, claim, or right relating to real property.

1        (b) The actual owner of an interest in real property subject to a recorded false, fictitious,  
2 or fraudulent instrument may seek expedited relief under this section by filing an action in district  
3 court alleging the filing or recording of a false, fictitious, or fraudulent instrument in a public  
4 record or a private record generally available to the public. The notice shall be served and proof  
5 of service shall be made in any manner provided by the Rules of Civil Procedure for service of  
6 summons, including service by registered mail or certified mail, return receipt requested. After a  
7 minimum of five days' notice in a manner prescribed in Rule 5 of the Rules of Civil Procedure  
8 and opportunity to be heard to all persons claiming an ownership interest in the property, any  
9 lienholder of record, including any person to whom a security instrument directs notice to be sent  
10 and any person obligated to repay the indebtedness secured by the instrument, the court shall  
11 convene a hearing. For purposes of the notice requirement in this subsection, the party seeking  
12 relief may serve the person listed as grantor in the recorded purportedly false, fictitious, or  
13 fraudulent instrument at the address listed in the instrument. If the court finds that there is no  
14 statutory, contractual, or other merited legal justification for the instrument, the court shall find  
15 that the recorded instrument is false and is void as a matter of law and shall enter an order to  
16 remove the cloud from the title to the real property. The submission of an original instrument  
17 demonstrating source of title, affidavit, or a lis pendens, notice of previous fraud, or other similar  
18 instrument recorded by the actual owner of an interest in the real property shall be considered  
19 evidence of fraudulent activity. The court may also include in the order any of the following  
20 types of relief:

- 21            (1) Grant to a prevailing party possession of the real property and order the  
22            ejectment of any party on the premises.
- 23            (2) Award attorneys' fees and other costs for the action to the prevailing party.
- 24            (3) Stay any proceedings involving the subject real property in which the property  
25            owner or owners are not a party to.
- 26            (4) Upon a finding by the court that an action filed under this section is frivolous  
27            or malicious, assess a civil penalty of not more than ten thousand dollars  
28            (\$10,000), of which the clear proceeds assessed under this subdivision shall  
29            be remitted to the Civil Penalty and Forfeiture Fund in accordance with  
30            G.S. 115C-457.2.
- 31            (5) Upon a finding by the court that a party has presented for filing or recording  
32            a false, fictitious, or fraudulent instrument as described in this section more  
33            than once, enter a pre-filing injunction against the party.
- 34            (6) Enjoin a party from listing the real property for sale, lease, or any other similar  
35            advertisement.

36        (c) Upon being presented with an order duly issued by a court of competent jurisdiction  
37 of this State declaring that an instrument already recorded is false and void as a matter of law,  
38 the register of deeds or clerk of superior court that received the recording shall record and  
39 cross-index the court's order finding the instrument to be false. The register of deeds or clerk of  
40 superior court may also conspicuously mark on the first page of the original record previously  
41 recorded the following statement: "THE CLAIM ASSERTED IN THIS DOCUMENT IS FALSE  
42 AND IS NOT PROVIDED FOR BY THE GENERAL LAWS OF THIS STATE."

43        (d) In addition to any civil penalties provided for in this section, the presentation of an  
44 instrument for recording with a register of deeds or a clerk of superior court that is determined to  
45 be materially false, fictitious, or fraudulent shall constitute a violation of G.S. 75-1.1.

46        (e) The Administrative Office of the Courts shall develop a form for the expedited relief  
47 filing established by this section and the clerk of superior court shall make the form available for  
48 a petitioner. In addition to the requirements set forth in this section, the form shall include clear  
49 language notifying the filing party that providing false information or statements is perjury  
50 pursuant to G.S. 14-209 and punishable as a Class F felony."

1           **SECTION 3.** Section 1 of this act becomes effective October 1, 2025, and applies to  
2 instruments and documents presented for registration on or after that date. Section 2 of this act  
3 becomes effective October 1, 2025, and applies to causes of action arising on or after that date.  
4 The remainder of this act is effective when it becomes law.