

NORTH CAROLINA GENERAL ASSEMBLY  
1969 SESSION

CHAPTER 813  
HOUSE BILL 942

1 AN ACT TO AMEND G.S. 47-20.5 RELATING TO INSTRUMENTS CONTAINING  
2 AFTER-ACQUIRED PROPERTY CLAUSES.

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4 The General Assembly of North Carolina do enact:

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6 **Section 1.** G.S. 47-20.5 is hereby amended by deleting subsection (c) thereof and  
7 by inserting in lieu thereof the following:

8 "(c) An after-acquired property clause is effective to pass after-acquired property as  
9 between the parties to the instrument containing such clause, but shall not be effective to pass  
10 title to after-acquired property as against lien creditors or purchasers for a valuable  
11 consideration from the grantor of the instrument unless and until such instrument has been re-  
12 registered at or subsequent to the time such after-acquired property is acquired by such  
13 grantor."

14 **Sec. 2.** G.S. 47-20.5 is hereby further amended by deleting subsection (d) thereof  
15 and by inserting in lieu thereof the following:

16 "(d) In lieu of re-registering the instrument containing the after-acquired property clause  
17 as specified in subsection (c), such instrument may be made effective to pass title to after-  
18 acquired property as against lien creditors and purchasers for a valuable consideration from the  
19 grantor of the instrument by registering a notice of extension as specified in subsection (e) at or  
20 subsequent to the time of acquisition of the after-acquired property by the grantor."

21 **Sec. 3.** G.S. 47-20.5 is hereby further amended by adding new subsections to read  
22 as follows:

23 "(g) Except as provided in subsection (h) of this Section, no instrument which has been  
24 heretofore executed or registered and which contains an after-acquired property clause shall be  
25 effective to pass title to after-acquired property as against lien creditors or purchasers for a  
26 valuable consideration from the grantor of such instrument unless and until such instrument or  
27 a notice of extension thereof has been registered or re-registered as herein provided."

28 "(h) Notwithstanding the provisions of this Section with respect to registration,  
29 re-registration and registration of notice of extension, an after-acquired property clause in an  
30 instrument which creates a security interest made by a public utility as defined in G.S. 62-3(23)  
31 or a natural gas company as defined in Section 2(6) of the NATURAL GAS ACT, 15 USCA  
32 717 a(6), or by an electric or telephone membership corporation incorporated or domesticated  
33 in North Carolina shall be effective to pass after-acquired property as against lien creditors or  
34 purchasers for a valuable consideration from the grantor of the instrument from the time of  
35 original registration of such instrument."

36 **Sec. 4.** This Act shall not affect any case the litigation of which is pending upon its  
37 effective date.

38 **Sec. 5.** Except as provided in Section 4 hereof, all laws and clauses of laws in  
39 conflict with this Act are hereby repealed.

40 **Sec. 6.** This Act shall become effective after midnight on September 30, 1969, and  
41 shall apply to all instruments registered after that date.

42 In the General Assembly read three times and ratified, this the 11th day of June,  
43 1969.