

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1114
Committee Substitute Favorable 7/16/97
Third Edition Engrossed 7/24/97

Short Title: Bad Check Collections Pilot.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ASSESS A FEE OF FIFTY DOLLARS FOR WORTHLESS CHECKS
3 COLLECTED THROUGH THE BAD CHECK COLLECTION PROGRAM.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 7A-308 is amended by adding a new section to read:

6 "(c) A person who participates in a program for the collection of worthless checks
7 under G.S. 14-107.2 must pay a fee of fifty dollars (\$50.00). The fee collected under this
8 subsection must be remitted to the State by the clerk of court in the county in which the
9 program is established and credited to the Collection of Worthless Checks Fund. The
10 Collection of Worthless Checks Fund is created as a special revenue fund. Revenue in
11 the Fund does not revert at the end of the fiscal year, and interest and other investment
12 income earned by the Fund accrues to the Fund. The money in the Fund is subject to
13 appropriation by the General Assembly and may be used solely for the expenses of the
14 programs established under G.S. 14-107.2 for the collection of worthless checks."

15 Section 2. Chapter 14 of the General Statutes is amended by adding a new
16 section to read:

17 "§ 14-107.2. Program for the collection of worthless check cases."

1 A district attorney may establish a program for the collection of worthless check cases
2 that would, if prosecuted under G.S. 14-107, be punishable as a Class 2 misdemeanor.
3 The purpose of the program is to collect worthless checks in a more timely manner, to
4 alleviate the need to prosecute each worthless check case, and to provide an opportunity
5 for the check passer to avoid criminal prosecution. In creating the program, the district
6 attorney must establish criteria for the types of worthless check cases that will be eligible
7 for collection under the program. If the check passer participates in the program by
8 paying the fee under G.S. 7A-308(c) and providing restitution to the check taker for
9 (i) the amount of the check or draft, (ii) any service charges imposed on the check taker
10 by a bank or depository for processing the dishonored check, and (iii) any processing fees
11 imposed by the check taker pursuant to G.S. 25-3-512, then the district attorney will not
12 prosecute the worthless check case under G.S. 14-107. The Administrative Office of the
13 Court must establish procedures for remitting the fee and providing restitution to the
14 check taker. For the purposes of this section, the terms 'check passer' and 'check taker'
15 have the same meanings as defined in G.S. 14-107.1."

16 Section 3. This act applies only to Rockingham and Wake Counties.

17 Section 4. This act becomes effective October 1, 1997, if Senate Bill 352 is
18 enacted and provides funds to establish a bad check collection pilot program in
19 Rockingham and Wake Counties. This act shall sunset June 30, 1998.