

# Commercial Law and Consumer Protection

See full summary documents for additional detail

## **H144 - Credit Union/Trust Institution Changes. (SL 2017-25)**

S. L. 2017-25 does the following:

- Includes credit unions and trust institutions among the financial institutions that are permitted to hold funds in escrow or on deposit in various statutes.
- Extends from annually to 18 months the period between the examinations of credit unions by the Administrator.
- Corrects a citation.

This act became effective June 2, 2017.

## **H161 - Divestment From Companies That Boycott Israel. (SL 2017-193)**

S.L. 2017-193 requires State divestment from, and prohibits State agencies from contracting with, companies that boycott Israel. S.L. 2017-193 also amends the existing Sudan and Iran Divestment statutes. This act becomes effective October 1, 2017, except for the section authorizing the State Treasurer to retain personnel to assist in its implementation, which became effective July 27, 2017.

## **H228 - Postpone Assumed Name Revisions. (SL 2017-23)**

S.L. 2017-23 postpones the implementation of the Assumed Business Name Act for five months, as recommended by the General Statutes Commission, because the database will not be operational by the current July 1, 2017 implementation date. This act became effective June 2, 2017.

## **H337 - Unmanned Aircraft Systems Law Revisions. (SL 2017-160)**

S.L. 2017-160: (1) clarifies that State laws applicable to unmanned aircraft systems (UAS) include model aircrafts generally; (2) repeals a State law limitation on the use of special imaging technology on unmanned aircraft systems; (3) exempts unmanned aircraft systems used by emergency management agencies for emergency management purposes from certain State law restrictions; (4) aligns State law permitting requirements for commercial operation of unmanned aircraft systems with federal law; and (5) exempts model aircraft used for hobby or recreational purposes from State testing and permitting requirements.

This act became effective July 21, 2017, except for the emergency management agencies' UAS exception, which becomes effective December 1, 2017.

#### **H462 - Banking Law Amendments. (SL 2017-165)**

S.L. 2017-165 makes technical and clarifying changes to provisions applicable to commercial banks, bank holding companies, and credit unions. This act became effective July 21, 2017.

#### **H772 - Amend NC Int'l Arbitration/Conciliation Act. (SL 2017-171)**

S.L. 2017-171 makes conforming and modernizing changes to the International Commercial Arbitration and Conciliation Act (ICACA), to reflect similar trends in international arbitration, and to more closely align Article 45B of the General Statutes with other North Carolina statutes governing arbitration.

This act becomes effective October 1, 2017, and applies to agreements entered into, renewed, or modified on or after that date.

#### **S24 - Allow Restaurants to Use Outdoor Grills. (SL 2017-18)**

S.L. 2017-18 allows food establishments to use outdoor grills for food preparation if certain conditions are met.

This act became effective May 24, 2017.

#### **S100 - Aerial Adventure Financial Responsibility. (SL 2017-118)**

S.L. 2017-118 requires owners and operators of challenge and aerial courses in North Carolina to have liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate against liability for injury to persons or property arising out of the operation of the facilities or devices and authorizes the Commissioner of Insurance to enforce those requirements.

The Commissioner of Insurance became authorized to adopt rules to implement this act on July 18, 2017. The remainder of this act becomes law on June 1, 2018.

#### **S257 - Appropriations Act of 2017.**

##### **Sec. 15.1 : NER Block Grants for 2018 and 2019 Program Years/Use of Deobligated Funds. (SL 2017-57)**

Section 15.1 allocates Community Development Block Grant (CDBG) funds for the 2017-2019 biennium to State Administration, Neighborhood Revitalization, Economic Development, and Infrastructure and further provides guidance for the use of deobligated CDBG funds. This act became effective June 28, 2017.

**S257 - Appropriations Act of 2017.**

**Sec. 15.14: Job Maintenance and Capital Development Fund Eligibility Modification. (SL 2017-57)**

Sec. 15.14 of S.L. 2017-57 authorizes new grants under the Job Maintenance and Capital Development Fund (JMAC) program to businesses that had previously received a JMAC grant. To be eligible for an additional grant, a business must invest \$150,000,000 (in addition to the \$200,000,000 investment required for the initial JMAC grant), maintain at least 2,000 full-time employees, and be at the same location as the initial JMAC grant. The number of JMAC grants authorized is increased from 5 to 6, and the total cost of all JMAC grants is increased from \$79,000,000 to \$139,000,000. This section became effective June 28, 2017.

**S257 - Appropriations Act of 2017.**

**Sec. 15.15A: Transformative Project. (SL 2017-57)**

Section 15.15A of S.L. 2017-57 establishes enhanced benefits under the Jobs Development Investment Grant (JDIG) program for a "transformative project," a project where a business invests at least \$4 billion in private funds and creates at least 5,000 jobs in this State. This section became effective on July 1, 2017.

**S257 - Appropriations Act of 2017.**

**Sec. 15.19: Industrial Commission Case Management Systems. (SL 2017-57)**

Sec. 15.19 of S.L. 2017-57 does the following:

- Provides that the North Carolina Industrial Commission (Commission) must coordinate with the Department of Information Technology and other State agencies to replace the Commission's case management systems, by assessing system requirements and finding the most cost-effective means for doing so.
- Allows the Commission to retain additional revenue of up to \$1,200,000 from the fee charged to parties for filing compromise settlement agreements. This revenue is to be used for the purpose of replacing and maintaining the Commission's case management systems and related expenditures. This fee retention authorization will expire on June 30, 2021.
- Provides that out of funds appropriated to the Commission in the 201y budget, \$750,000 in nonrecurring funds for each year of the 2017-2019 fiscal biennium must be allocated for the purpose of maintaining the Commission's case management systems and related expenditures. For the 2019-2021 fiscal biennium only, the Director of State budget must also include \$750,000 in nonrecurring funds for each year of the 2019-2021 fiscal biennium for case management systems and related expenses.

This section became effective July 1, 2017.

### **S415 - Clarify Definition of Collection Agency. (SL 2017-149)**

OVERVIEW: S.L. 2017-149 clarifies the definition of "collection agency" by excluding corporations or associations engaged in routine accounting, bookkeeping or data processing services.

This act became effective July 20, 2017.

### **S577 - Consumer Credit/Default Charge. (SL 2017-45)**

S.L. 2017-45 increases the allowable default charge for a past due installment payment under a consumer credit installment sale contract from a maximum of \$6 to \$15. This act became effective June 26, 2017 and applies to charges imposed on or after that date.

### **S593 - Arbitration and Mediation for Business Court. (SL 2017-122)**

S.L. 2017-122 directs the Director of the Administrative Office of the Courts (AOC) to submit a report recommending whether arbitration and mediation programs should be established in the North Carolina Business Court.

This act became effective July 18, 2017.

### **S621 - Business Contracts/Choice of Law and Forum. (SL 2017-123)**

S.L. 2017-123 permits a business contract to provide that:

- North Carolina law will govern the parties' rights and duties under the contract in whole or in part, regardless of whether the parties, the contract, or a related transaction bear a reasonable relation to the State, and regardless of whether a provision in the contract may conflict with a fundamental policy under the law of another jurisdiction that would apply if the parties had not chosen North Carolina law.
- Any action to resolve a dispute arising out of the contract may be brought in the courts of this State.

The act also permits a business contract containing both of the foregoing provisions to specify one or more North Carolina counties in which any dispute arising under the contract must be litigated.

The act became effective on July 18, 2017, and applies to business contracts entered into before, on, or after that date.