

Commercial Law and Consumer Protection

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Predatory Roofing/Insurance Rebate Reform.

SL 2024-11 (S124)

S.L. 2024-11 does the following:

- Requires contracts for residential roof replacement or repair to have a five-business day cancellation period following an insurance claim denial for the work to be performed under the contract.
- Allows insurers, insurance producers, or limited representatives to offer or provide products or services not specified in an insurance policy if certain conditions are met.
- Limits the commission, fee, or other valuable consideration given for the referral of insurance business by an unlicensed individual to a licensed insurance agent or broker to \$50.00 or less in value.

This act becomes effective October 1, 2024. The section of this act pertaining to contracts for residential roof replacement or repair applies to contracts entered into on or after that date. The section of this act pertaining to commissions applies to any referral of insurance business made on or after that date.

C-PACE Program.

SL 2024-44 (S802)

S.L. 2024-44:

- Establishes the commercial property assessed capital expenditure program (C-PACE Program), to be administered by the Economic Development Partnership of North Carolina (EDPNC) under the supervision of the Department of Commerce, providing a procedure by which owners of qualifying commercial property can apply to EDPNC for long-term financing to be provided by private lenders that will pay for property improvements that include energy efficiency, water conservation, renewable energy, and resilience measures, with repayment of the financed amount secured by a lien upon the improved property.
- Modifies the criteria under which an employee stock ownership (ESOP) company can qualify as a minority business or an historically underutilized business for purposes of public contract provisions in Chapter 143 of the General Statutes.
- Requires the Department of Environmental Quality and the Environmental Management Commission, no later than August 1, 2024, to develop and submit draft rules to the United States Environmental Protection Agency (USEPA) for USEPA's approval that establish methodologies and permitting requirements for the discharge of low-risk treated domestic wastewaters following site specific criteria to surface waters of the State.

The provisions regarding development of rules for wastewater discharge became effective July 8, 2024. The remainder of the act became effective July 1, 2024.

Prohibit the Acquisition of Quartz Mining Operations and Lands Containing High Purity Quartz by Foreign Governments Designated as Adversarial by the United States Department of Commerce – Regulatory Reform Act of 2024.

SL 2024-45 (S607), Sec. 10

Section 10 of S.L. 2024-45 prohibits any state-controlled enterprise of, or the government of, a foreign nation that has been designated an adversarial foreign government by the United States Secretary of Commerce, from purchasing, acquiring, leasing, or holding any interest in either a quartz mining operation or land containing commercially valuable amounts of high purity quartz. Any transfer of an interest in land or a mining operation in violation of this section is void. No individual who is not an adversarial foreign government will bear any civil or criminal liability for failing to determine or make inquiry of whether an individual or other entity is an adversarial foreign government.

Currently, the following foreign governments and foreign non-government persons have been found to be adversarial foreign governments:

- The People's Republic of China, including the Hong Kong Special Administrative Region (China).
- Republic of Cuba (Cuba).
- Islamic Republic of Iran (Iran).
- Democratic People's Republic of Korea (North Korea).
- Russian Federation (Russia).
- Venezuelan politician Nicolás Maduro (Maduro Regime).

This section became effective July 9, 2024, and applies only to ownership interests acquired on or after that date.

Delay Sunset for Certain Design-Build Contracts Using Federal Funds – Regulatory Reform Act of 2024.

SL 2024-45 (S607), Sec. 21

Section 21 of S.L. 2024-45 extends the sunset for local governments to enter certain design-build contracts using federal funds until December 31, 2027.

This section of the act became effective July 9, 2024.

Allow a Seller of a Manufactured Sign to Repossess the Sign if the Buyer Fails to Pay – Regulatory Reform Act of 2024.

SL 2024-45 (S607), Sec. 23.5

Section 23.5 of S.L. 2024-45 allows a seller to repossess a manufactured sign, even if the sign is affixed to real property, if the buyer fails to pay in violation of the contract with the seller and the seller does not breach the peace when repossessing the sign.

This section of the act becomes effective October 1, 2024.

Require Transparency in Sale or Resale of Entertainment Event Tickets – Regulatory Reform Act of 2024.

SL 2024-45 (S607), Sec. 24

Section 24 of S.L. 2024-45 requires a secondary ticket exchange, ticket issuer, or reseller to meet certain requirements when listing a ticket for sale or resale.

This section becomes effective January 1, 2025, and applies to tickets listed for sale or resale on or after that date.

Eliminate Connect NC Bond Report – Regulatory Reform Act of 2024.

SL 2024-45 (S607), Sec. 32

Section 32 of S.L. 2024-45 eliminates the Connect NC Bond reporting requirement.

This section of the act became effective July 9, 2024.

No Central Bank Digital Currency Payments to the State.

SL 2024-48 (H690)

S.L. 2024-48 prohibits a State agency or the General Court of Justice from accepting a payment using central bank digital currency, or from participating in any test of central bank digital currency by any Federal Reserve branch.

This bill was vetoed by the Governor on July 5, 2024, and that veto was overridden by the General Assembly on September 9, 2024. This act became effective September 9, 2024.

Extend Grace Period to Correct Grounds for Administrative Dissolution for Business Entities – Disaster Recovery Act of 2024.

SL 2024-51 (H149), Sec. 16.1

Section 16.1 of S.L. 2024-51 extends the grace period for corporations, nonprofits, and LLCs in FEMA-designated counties, including the Eastern Band of Cherokee Indians, to correct grounds for administrative dissolution to March 1, 2025.

This section became effective October 10, 2024.

Delay Effective Date of Entertainment Event Ticket Sale/Resale Transparency – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 2C.3

Section 2C.3 of S.L. 2024-57 delays the effective date of Section 24 of S.L. 2024-45 which enacts G.S. 75-44, titled Ticket Price Transparency, from an original effective date of January 1, 2025, to be effective April 1, 2025.

This bill was vetoed by the Governor on November 26, 2024, and the veto was overridden by the General Assembly on December 11, 2024. This section of the act became effective December 11, 2024.

Burke County Business Park Site Development – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 2E.3

Section 2E.3 of S.L. 2024-57 reallocates \$20 million of the \$23.52 million that originally went to Burke Partnership for Economic Development, Inc. (Burke Partnership) for megasite capital and acquisition costs in western North Carolina and allows Burke Partnership to instead use that \$20 million for site development and preconstruction activities at the Burke Business Park in Burke County, subject to Burke Partnership entering into contracts with Burke County and the Department of Commerce that, among other things, provide for (i) acceptable uses of funds, (ii) fund recoupment requirements, (iii) clawback provisions, and (iv) fund repayment provisions.

This bill was vetoed by the Governor on November 26, 2024, and that veto was overridden by the General Assembly on December 11, 2024. This section became effective December 11, 2024.

Clarify Authority to Modify Loan and Technical Correction to Consumer Finance Act – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 2E.4

Section 2E.4(a) of S.L. 2024-57 modifies the North Carolina Consumer Finance Act (Act) by adding the following limitations and prohibitions on loan practices and agreements:

- A loan contract can be modified or restructured if the interest rate after the original maturity date does not exceed 8% per annum.
- A loan modification or restructuring can provide for a reduction of interest rate, reduction of principal, reduction in the amount of accrued interest, suspension of or modification of payment amounts, extension of the term of the loan, or any combination of these terms.
- A modification of payment amounts for the term of a loan modification or restructuring must not provide for a balloon payment and is not subject to the requirement that a loan contract provide for the repayment of the amount loaned in substantially equal installments at approximately equal periodic intervals of time.
- A licensee must document the terms of any agreement to modify or restructure an existing loan contract by setting forth the terms of the modified or restructured loan in its loan records and provide to the borrower a written notice of the changes.
- A licensee must not charge a borrower a fee to modify or restructure a loan unless a licensee, by agreement with the borrower, collects a deferral charge and defers the due date of all or part of one or more installments under an existing loan contract.
- A licensee must not require additional collateral as a condition for a loan modification or restructuring.

Section 2E.4(b) of S.L. 2024-57 makes a technical correction to the Act.

This bill was vetoed by the Governor on November 26, 2024, and that veto was overridden by the General Assembly on December 11, 2024. Section 2E.4(a) became effective December 11, 2024, and applies to loan contracts modified or restructured on or after that date. Nothing in Section 2E.4(a) invalidates or impairs a loan modification or restructuring that occurred prior to December 11, 2024. The remainder of this section became effective December 11, 2024.

Major Events, Games, and Attractions Fund Modifications; Clarify Local School Administrative Units as Eligible Recipients of Sports Wagering Tax Proceeds Distributions – Disaster Relief-3/Budget/Various Law Changes.

SL 2024-57 (S382), Sec. 3H.1

Section 3H.1 of S.L. 2024-57 makes the following changes to the criteria that must be met to receive grant funding from the Major Events, Games and Attractions Fund:

- Subsection (a) of this section allows a facility that has hosted an Association of Tennis Professionals event within the preceding 12 months to be an eligible location for an event

for which a grant is awarded from the North Carolina Major Events, Games, and Attractions Fund.

- Subsection (b) eliminates the requirement that to be eligible for grant funding, an event must be held at only one location in the State, and the total benefits of the event to the State must outweigh its cost.
- Subsection (c) clarifies that local school administrative units are eligible grant recipients.

This bill was vetoed by the Governor on November 26, 2024, and the veto was overridden by the General Assembly on December 11, 2024. This section of the act became effective December 11, 2024. Subsections (a) and (b) apply to multiparty agreements entered into between the Department of Commerce and site selection organizations and local entities on or after December 11, 2024.