

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

S.L. 1997-279
HOUSE BILL 311

AN ACT TO MAKE PERMANENT THE EXCLUSION OF FORFEITED
RESERVATION DEPOSITS FROM THE ESCHEAT FUND.

The General Assembly of North Carolina enacts:

Section 1. Subsection (c) of Section 7A of Chapter 18 of the Session Laws of the Second Extra Session of 1996 reads as rewritten:

"(c) Subsection (a) of this section applies to funds held or collected by business associations on or after July 1, 1996. ~~Subsection (a) of this section expires June 30, 1997, but funds collected or held by business associations before June 30, 1997 shall not escheat.~~"

Section 2. G.S. 116B-23 reads as rewritten:

"§ 116B-23. Exclusion for forfeited reservation deposits.

~~Property or funds withheld by a business association as a penalty or forfeiture or as damages in the event a person who has reserved the services of the business association fails to make use of and pay for the services, regardless of any practice or policy of the business association related to the return of withheld funds, is not unclaimed or abandoned property. A forfeited reservation deposit is not unclaimed or abandoned property. For the purposes of this section, the term 'reservation deposit' means an amount of money paid to a business association to guarantee that the business association holds a specific service, such as a room accommodation at a hotel, seating at a restaurant, or an appointment with a doctor, for a specified date and place. The term does not include an application fee, a utility deposit, or a deposit made toward the purchase of real or personal property.~~"

Section 3. This act is effective when it becomes law. All property or funds held as forfeited reservation deposits prior to the effective date of this act pursuant to G.S. 116B-23 shall not escheat.

In the General Assembly read three times and ratified this the 2nd day of July, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.

Governor

Approved 10:22 a.m. this 9th day of July, 1997