GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 311
Committee Substitute Favorable 3/26/97

Short Title: Escheat Sunset Removed.   (Public)

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Sponsors:

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Referred to:

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February 24, 1997

1   A BILL TO BE ENTITLED
2   AN ACT TO MAKE PERMANENT THE EXCLUSION OF FORFEITED
3   RESERVATION DEPOSITS FROM THE ESCHEAT FUND.
4   The General Assembly of North Carolina enacts:
5   Section 1. Subsection (c) of Section 7A of Chapter 18 of the Session Laws of
6   the Second Extra Session of 1996 reads as rewritten:
7   "(c)   Subsection (a) of this section applies to funds held or collected by business
8   associations on or after July 1, 1996. ~~Subsection (a) of this section expires June 30, 1997,~~
9   ~~but funds collected or held by business associations before June 30, 1997 shall not~~
10   ~~escheat~~."
11   Section 2. G.S. 116B-23 reads as rewritten:
12   "**§ 116B-23. Exclusion for forfeited reservation deposits.**
13   ~~Property or funds withheld by a business association as a penalty or forfeiture or as~~
14   ~~damages in the event a person who has reserved the services of the business association~~
15   ~~fails to make use of and pay for the services, regardless of any practice or policy of the~~
16   ~~business association   related to the return of withheld funds, is not unclaimed or~~
17   ~~abandoned property.~~ A forfeited reservation deposit is not unclaimed or abandoned
18   property. For the purposes of this section, the term 'reservation deposit' means an
19   amount of money paid to a business association to guarantee that the business association

1 holds a specific service, such as a room accommodation at a hotel, seating at a restaurant,
2 or an appointment with a doctor, for a specified date and place. The term does not
3 include an application fee, a utility deposit, or a deposit made toward the purchase of real
4 or personal property."
5 　　　　Section 3. This act is effective when it becomes law. All property or funds
6 held as forfeited reservation deposits prior to the effective date of this act pursuant to
7 G.S. 116B-23 shall not escheat.