

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 956

Short Title: No Arbitration/Vehicle Warranties.

(Public)

Sponsors: Representative Beall.

Referred to: Commerce.

March 30, 1989

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT A MANUFACTURER OF MOTOR VEHICLES FROM
REQUIRING A CONSUMER TO USE ARBITRATION PRIOR TO LITIGATION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-351.7 reads as rewritten:

"§ 20-351.7. Civil action by the consumer.

A consumer injured by reason of any violation of the provisions of this Article may bring a civil action against the manufacturer; provided, however, the consumer has given the manufacturer written notice of his intent to bring an action against the manufacturer at least 10 days prior to filing such suit. ~~Nothing in this section shall prevent a manufacturer from requiring a consumer to utilize an informal settlement procedure prior to litigation if that procedure substantially complies in design and operation with the Magnuson-Moss Warranty Act, 15 USC § 2301 et seq., and regulations promulgated thereunder, and that requirement is written clearly and conspicuously, in the written warranty and any warranty instructions provided to the consumer. The manufacturer may not require a consumer to arbitrate a claim or utilize an informal settlement procedure prior to litigation pursuant to this Article.~~

Sec. 2. This act is effective upon ratification and applies to all contracts for the sale of motor vehicles entered into on or after that date.