

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 862

Short Title: Forum Selection Exception.

(Public)

Sponsors: Senator Hartsell.

Referred to: Judiciary II/Election Laws

April 26, 1995

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN EXCEPTION TO THE LAW VOIDING FORUM SELECTION PROVISIONS IN CONTRACTS BY VALIDATING ACTIONS COMMENCED PURSUANT TO SUCH PROVISIONS WITH THE CONSENT OF ALL PARTIES TO THE CONTRACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 22B-3 reads as rewritten:

"§ 22B-3. Contracts with forum selection provisions.

~~Any~~ Except as otherwise provided in this section, any provision in a contract entered into in North Carolina that requires the prosecution of any action or the arbitration of any dispute that arises from the contract to be instituted or heard in another state is against public policy and is void and unenforceable. This prohibition shall not apply to non-consumer loan ~~transactions.~~ transactions or to any action or arbitration of a dispute that is commenced in another state pursuant to a forum selection provision with the consent of all parties to the contract at the time that the dispute arises."

Sec. 2. This act is effective upon ratification and applies to any action or arbitration commenced prior to or on or after that date.