

April 20, 2005

H 1333. ARBITRATION NOTICE TO CONSUMER. *REQUIRING THAT NOTICE BE GIVEN ON ANY CONSUMER CONTRACT THAT CONTAINS A PROVISION REQUIRING THE CONSUMER TO SUBMIT TO BINDING ARBITRATION AS THE ONLY RECOURSE FOR RESOLVING DISPUTES THAT MIGHT ARISE CONCERNING THE CONTRACT.* Enacts new GS 75-39 providing that when a business prepares a written contract that provides for mandatory binding arbitration as the only recourse for resolving disputes under the contract, and the business enters the contract with a customer, the contract must contain notice in specified type size about the mandatory and binding nature of the arbitration agreement and the business must explain the provision to the customer. The customer must indicate receipt of this explanation by initialing the provision of the contract containing the arbitration requirement. Violation by a business is an unfair and deceptive trade practice. Effective October 1, 2005, and applies to contracts entered into on or after date.

Intro. by Allred.

Ref. to Judiciary II

GS 75