

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 450

Short Title: No Automatic Renewal of Credit Card Contracts. (Public)

Sponsors: Representative Starnes (Primary Sponsor).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Commerce and Job Development, if favorable, Banking.

March 24, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROHIBIT THE AUTOMATIC RENEWAL OF MERCHANT CREDIT CARD  
3 PROCESSING CONTRACTS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 1 of Chapter 22B of the General Statutes is amended by  
6 adding a new section to read:

7 "**§ 22B-4. Automatic renewal of merchant credit card processing contracts.**

8 Any provision in a contract to provide credit card or other payment system processing for  
9 merchants that provides for the automatic renewal of the contract is against public policy and is  
10 void and unenforceable. Nothing in this section shall be construed to prohibit the renewal of  
11 contracts following a 60-day notice of an upcoming expiration from the processing company  
12 and an acceptance of the renewal signed by the merchant."

13 **SECTION 2.** This act becomes effective October 1, 2011, and applies to contracts  
14 entered into on or after that date and to contracts currently scheduled to renew automatically on  
15 or after that date.

