

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1026

Short Title: Arbitration/Similar Actions.

(Public)

Sponsors: Representative Payne.

Referred to: Judiciary II.

April 19, 1991

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT A CONTRACT CANNOT REQUIRE PARTIES TO BRING AN ACTION OR ARBITRATION PROCEEDING THEREUNDER OUTSIDE THE STATE.

The General Assembly of North Carolina enacts:

Section 1. Chapter 1 of the General Statutes is amended by adding a new section to read:

"§ 1-75.13. Contracts cannot require parties to bring actions or arbitration proceedings thereunder outside the State.

(a) Notwithstanding a provision in a contract requiring that a cause of action arising under it be brought in a location other than as provided in this Article and notwithstanding Chapter 1A of the General Statutes for a similar cause of action, the cause of action may be brought in the manner provided in this Article and Chapter 1A for such causes of action.

(b) A provision in an arbitration agreement that provides that arbitration proceedings shall be held outside this State is not enforceable with respect to a cause of action which, but for the arbitration agreement, is triable in the courts of this State. The enforceability of the remaining provisions of the arbitration agreement and the method of selecting a forum for the conduct of the arbitration proceedings shall be as provided in this Article, the Federal Arbitration Act, and the applicable rules of arbitration."

Sec. 2. This act becomes effective October 1, 1991, and applies to contracts entered into on or after that date.