



HOUSE BILL 693: Repossession of Manufactured Sign.

2023-2024 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	May 2, 2023
Introduced by:	Reps. Crutchfield, Lowery, Tyson, Balkcom	Prepared by:	Brian Gwyn
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 693 would allow a seller of a manufactured sign to repossess the sign if the buyer fails to pay.*

CURRENT LAW: G.S. 25-2-703 identifies remedies for sellers if the buyer wrongfully rejects or revokes acceptance of goods, fails to make a payment due on or before delivery, or repudiates with respect to a part or the whole. In these situations, the seller can take actions that include the following:

- Withhold delivery of the goods
- Stop delivery
- Resell and recover damages
- Recover damages for nonacceptance
- Cancel

If the good has a security interest, G.S. 25-9-609 allows a secured party, after default, to take possession of the collateral and without removal, render equipment unusable and dispose of collateral on a debtor's premises. These actions can be taken without judicial process if the secured party does so without breaching the peace.

Additionally, if the goods have already been delivered to the buyer and the buyer fails to make a payment due, the seller can file an action for breach of contract.

BILL ANALYSIS: The bill would allow a seller to repossess a manufactured sign, even if the sign is affixed to real property, if the following criteria are met:

- The buyer fails to make a payment in violation of a contract with the seller.
- The seller does not breach the peace.

The seller could still exercise any other lawful remedy.

EFFECTIVE DATE: The bill would be effective October 1, 2023.

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