



2023-2024 General Assembly

SENATE BILL 607: Regulatory Reform Act of 2024, Sec. 23.5: Allow a Seller of a Manufactured Sign to Repossess the Sign if the Buyer Fails to Pay

Committee:		Date:	August 15, 2024
Introduced by:		Prepared by:	Amy Darden Staff Attorney
Analysis of:	Sec. 23.5 of S.L. 2024-45		

OVERVIEW: Section 23.5 of S.L. 2024-45 allows a seller to repossess a manufactured sign, even if the sign is affixed to real property, if the buyer fails to pay in violation of the contract with the seller and the seller does not breach the peace when repossessing the sign.

This section of the act becomes effective October 1, 2024.

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: Section 23.5 of the act provides that in addition to any other lawful remedy, a seller can 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.

EFFECTIVE DATE: This section of the act becomes effective October 1, 2024.

Kyle Evans, Legislative Analysis, substantially contributed to this summary.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578