

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 2192**

Short Title: Failure to Release a Security Interest. (Public)

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Sponsors: Representatives Cole; and Faison.

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Referred to: Rules, Calendar, and Operations of the House.

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May 19, 2008

A BILL TO BE ENTITLED

1 AN ACT TO SET A CRIMINAL AND CIVIL PENALTY FOR SECURITY  
2 INTEREST HOLDERS THAT FAIL TO RELEASE THE SECURITY LIEN  
3 WITHIN THIRTY DAYS OF THE SATISFACTION OR DISCHARGE OF THE  
4 SECURITY INTEREST.  
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6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 20-58.4 is amended by adding a new subsection to read:

8 (b1) Penalties. – Any person, firm, corporation, or other legal entity that fails to  
9 release a security interest as required by subsections (a) and (b) of this section shall be  
10 guilty of a Class 2 misdemeanor. In addition to any other penalties imposed, a civil  
11 penalty in the amount of one hundred dollars (\$100.00) may be assessed by the Division  
12 if an individual demands the release, by the secured party, of the security interest, in  
13 writing, by U.S. Mail, certified, return receipt requested, and the secured party fails to  
14 respond within 10 days of mailing. A demand under this subsection is deemed to be  
15 received by the secured party on the third day after mailing."

16 **SECTION 2.** This act becomes effective December 1, 2008, and applies to  
17 offenses committed on or after that date.