

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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HOUSE BILL 44

Short Title: GSC Electronic Signatures. (Public)

Sponsors: Representative Davis.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

February 5, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THE USE OF ELECTRONIC SIGNATURES IN CERTAIN  
3 CONTEXTS, PURSUANT TO A REVIEW DIRECTED BY THE GENERAL  
4 ASSEMBLY, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 6-21.6 reads as rewritten:

7 **"§ 6-21.6. Reciprocal attorneys' fees provisions in business contracts.**

8 (a) As used in this section, the following definitions apply:

- 9 (1) Business contract. – A contract entered into primarily for business or  
10 commercial purposes. The term does not include a consumer contract, an  
11 employment contract, or a contract to which a government or a governmental  
12 agency of this State is a party.  
13 (2) Consumer contract. – A contract entered into by one or more individuals  
14 primarily for personal, family, or household purposes.  
15 (3) Employment contract. – A contract between an individual and another party  
16 to provide personal services by that individual to the other party, whether the  
17 relationship is in the nature of employee-employer or principal-independent  
18 contractor.  
19 (4) Reciprocal attorneys' fees provisions. – Provisions in any written business  
20 contract by which each party to the contract agrees, in the manner set out in  
21 subsection (b) of this section, upon the terms and subject to the conditions set  
22 forth in the contract that are made applicable to all parties, to pay or reimburse  
23 the other parties for attorneys' fees and expenses incurred by reason of any  
24 suit, action, proceeding, or arbitration involving the business contract.

25 (b) Reciprocal attorneys' fees provisions in business contracts are valid and enforceable  
26 for the recovery of reasonable attorneys' fees and expenses only if all of the parties to the business  
27 contract sign ~~by hand the business contract. Signature "by hand" is not intended to prevent the~~  
28 ~~application of this section to a business contract executed by either the contract by hand or with~~  
29 one of the following:

- 30 (1) ~~A party's~~ An electronic signature, as defined in G.S. 66-312, if the party's  
31 electronic signature originates from an affirmative action on the part of the  
32 party to evidence acceptance and execution such as typing the party's signature  
33 or writing the party's signature with a finger or stylus on a touchscreen to  
34 indicate acceptance and execution.



1 (2) A ~~party's~~ manual signature that is delivered by an electronic reproductive  
2 image thereof.

3 (c) If a business contract governed by the laws of this State contains a reciprocal  
4 attorneys' fees provision, the court or arbitrator in any suit, action, proceeding, or arbitration  
5 involving the business contract may award reasonable attorneys' fees in accordance with the  
6 terms of the business contract. In determining reasonable attorneys' fees and expenses under this  
7 section, the court or arbitrator may consider all relevant facts and circumstances, including, but  
8 not limited to, the following:

9 ...  
10 (7) Offers of judgment pursuant to ~~Rule 68 of the North Carolina Rules of Civil~~  
11 ~~Procedure~~ G.S. 1A-1, Rule 68, and whether judgment finally obtained was  
12 more favorable than ~~such~~ these offers.

13 ...  
14 (d) Reasonable attorneys' fees and expenses ~~shall not be~~ are not governed by (i) any  
15 statutory presumption or provision in the business contract providing for a stated percentage of  
16 the amount of ~~such~~ the attorneys' fees or (ii) the amount recovered in other cases in which the  
17 business contract contains reciprocal attorneys' fees provisions.

18 (e) Nothing in this section ~~shall in any way make valid or invalid~~ makes valid or invalid  
19 attorneys' fees provisions in consumer contracts or in any note, conditional sale contract, or other  
20 evidence of indebtedness that is otherwise governed by G.S. 6-21.2. If the business contract is  
21 also a note, conditional sale contract, or other evidence of indebtedness that is otherwise governed  
22 by G.S. 6-21.2, then the parties that are entitled to recover attorneys' fees and expenses may elect  
23 to recover attorneys' fees and expenses either under this section or G.S. 6-21.2 but may recover  
24 only once for the same attorneys' fees and expenses.

25 (f) In any suit, action, proceeding, or arbitration primarily for the recovery of monetary  
26 damages, the award of reasonable attorneys' fees ~~may~~ shall not exceed the amount in controversy.

27 (g) Nothing in this section ~~shall in any way make valid or invalid~~ makes valid or invalid  
28 attorneys' fees provisions in a contract of insurance governed by Chapter 58 of the General  
29 Statutes."

30 **SECTION 2.(a)** Subsection (e) of G.S. 10B-5 is recodified as the fourth and fifth  
31 sentences of subdivision (b)(8) of that section.

32 **SECTION 2.(b)** G.S. 10B-5, as amended by subsection (a) of this section, reads as  
33 rewritten:

34 "**§ 10B-5. Qualifications.**

35 (a) Except as provided in subsection (d) of this section, the Secretary shall commission  
36 as a notary any qualified person who submits an application in accordance with this Chapter.

37 (b) A person qualified for a notarial commission shall meet all of the following  
38 requirements:

39 ...  
40 (8) Submit an application containing no significant misstatement or omission of  
41 fact. The application form shall be provided by the Secretary and be available  
42 at the register of deeds office in each county. Every application shall include  
43 the signature of the ~~applicant written with pen and ink,~~ applicant, and the  
44 signature shall be acknowledged by the applicant before a person authorized  
45 to administer oaths. ~~Notwithstanding subdivision (8) of subsection (b) of this~~  
46 ~~section, the~~ An applicant's signature on an initial application shall be written  
47 with pen and ink. The Secretary may allow applications for commissions to  
48 be submitted electronically, in the format prescribed by the Secretary. The  
49 Secretary shall establish a process for submission of the ~~signature of the~~  
50 ~~applicant prior to commissioning, which~~ applicant's signature that may  
51 include electronic submission.

- 1           (9)    Repealed by Session Laws 2013-204, s. 1, effective July 1, 2013.
- 2           (c)    The notary shall be commissioned in his or her county of residence, unless the notary
- 3 is not a North Carolina resident, in which case he or she shall be commissioned in the county of
- 4 his or her employment or business.
- 5           (d)    The Secretary may deny an application for commission or recommission if any of the
- 6 following ~~apply~~ applies to an applicant:
- 7           (1)    Submission of an incomplete application or an application containing a
- 8               material misstatement or omission of fact.
- 9           (2)    The applicant's conviction or plea of admission or nolo contendere to a felony
- 10 or any crime involving dishonesty or moral turpitude. In no case ~~may~~ shall a
- 11 commission be issued to an applicant within 10 years after release from prison,
- 12 probation, or parole, whichever is later.
- 13           (3)    A finding or admission of liability against the applicant in a civil lawsuit based
- 14 on the applicant's deceit.
- 15           (4)    The revocation, suspension, restriction, or denial of a notarial commission or
- 16 professional license by this or any other state or nation. In no case ~~may~~ shall
- 17 a commission be issued to an applicant within five years after the completion
- 18 of all conditions of any disciplinary order.
- 19           ...
- 20           (e)    Recodified."
- 21           **SECTION 3.** This act is effective when it becomes law.