

NORTH CAROLINA GENERAL ASSEMBLY  
1969 SESSION

CHAPTER 1071  
SENATE BILL 783

1 AN ACT TO AMEND ARTICLE 9, CHAPTER 105 OF THE GENERAL STATUTES OF  
2 NORTH CAROLINA TO RESTRICT LIABILITY FOR PAYMENT OF SUMS  
3 REPRESENTED BY NEGOTIABLE INSTRUMENTS UNDER GARNISHMENT  
4 PROCEEDINGS.

5  
6 The General Assembly of North Carolina do enact:

7  
8 **Section 1.** Subsection (b) of Section 105-242, Article 9, Chapter 105 of the General  
9 Statutes of North Carolina is hereby amended by inserting a semicolon in lieu of the period at  
10 the end of the first sentence thereof immediately following the word "garnishee" and by adding  
11 thereafter the following:

12 "provided, however, the garnishee shall not become liable for any sums represented  
13 by or held pursuant to any negotiable instrument issued and delivered by the garnishee to the  
14 taxpayer and negotiated by the taxpayer to a bona fide holder in due course, and whenever any  
15 sums due by the taxpayer and subject to garnishment are so held or represented, the garnishee  
16 shall hold such sums for payment to the Commissioner of Revenue upon the garnishee's receipt  
17 of such negotiable instrument, unless such instrument is presented to the garnishee for payment  
18 by a bona fide holder in due course in which event such sums may be paid in accordance with  
19 such instrument to such holder in due course."

20 **Sec. 2.** This Act does not apply to pending litigation.

21 **Sec. 3.** All laws and clauses of laws in conflict with this Act are hereby repealed.

22 **Sec. 4.** This Act shall become effective upon its ratification.

23 In the General Assembly read three times and ratified, this the 30th day of June,  
24 1969.