

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 938

Short Title: Right to Repair Digital Electronics Act. (Public)

Sponsors: Representatives Longest, Belk, T. Brown, and Pittman (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

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

April 14, 2025

1 A BILL TO BE ENTITLED
2 AN ACT ESTABLISHING FAIR REPAIR REQUIREMENTS FOR MANUFACTURERS OF
3 DIGITAL ELECTRONIC PRODUCTS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 75 of the General Statutes is amended by adding a new Article
6 to read:

7 "Article 9.

8 "Fair Repair Requirements Act.

9 **"§ 75-150. Definitions.**

10 The following definitions apply in this Article:

- 11 (1) Authorized repair provider. – An oral or written arrangement for a definite or
12 indefinite period in which a manufacturer or distributor transfers to a separate
13 business organization or individual license to use a trade name, service mark,
14 or relative characteristic for the purposes of offering repair services under the
15 name of the manufacturer.
- 16 (2) Digital electronic product. – A part or machine containing a microprocessor
17 originally manufactured for distribution and sale in the United States.
- 18 (3) Documentation. – Manuals, diagrams, reporting output, or service code
19 descriptions provided to the authorized repair provider for the purposes of
20 repair.
- 21 (4) Embedded software. – Programmable instructions provided on firmware
22 delivered with the digital electronic product for the purposes of product
23 operation, including all relevant patches and fixes made by the manufacturer
24 for this purpose, including, but not limited to, "basic internal operating
25 system," "internal operating system," "machine code," "assembly code," "root
26 code," and "microcode."
- 27 (5) Fair and reasonable terms. – An equitable price in light of relevant factors,
28 including all of the following:
- 29 a. The net cost to the authorized repair provider for similar parts obtained
30 from manufacturers, less any discounts, rebates, or other incentive
31 programs.
- 32 b. The cost to the manufacturer for preparing and distributing the parts
33 or product, excluding any research and development costs incurred in
34 designing and implementing, upgrading, or altering the product, but



- 1 including amortized capital costs for the preparation and distribution
2 of the parts.
3 c. The price charged by other manufacturers for similar parts or products.
4 (6) Independent repair provider. – An individual or business operating in the State
5 that is not affiliated with a manufacturer or a manufacturer's authorized dealer
6 of a digital electronic product that is engaged in the diagnosis, service,
7 maintenance, or repair of a digital electronic product. A manufacturer's
8 authorized dealer shall be considered an independent repair provider when the
9 dealer engages in the diagnosis, service, maintenance, or repair of a digital
10 electronic product that is not affiliated with the manufacturer.
11 (7) Manufacturer. – An individual or business who, in the ordinary course of its
12 business, is engaged in the business of selling or leasing new digital electronic
13 products to consumers or other end users and is engaged in the diagnosis,
14 service, maintenance, or repair of that product.
15 (8) Owner. – An individual or business who lawfully acquires a digital electronic
16 product purchased or used in the State.
17 (9) Remote diagnostics. – A remote data transfer function between a digital
18 electronic product and a provider of repair services, including for purposes of
19 diagnostics, settings controls, or location identification.
20 (10) Service parts. – Replacement parts, either new or used, made available by the
21 manufacturer to the authorized repair provider for the purposes of repair.
22 (11) Trade secret. – Anything tangible or intangible or electronically stored or kept
23 that constitutes, represents, evidences, or records intellectual property,
24 including secret or confidentially held designs, processes, procedures,
25 formulas, inventions or improvements or secrets of confidentially held
26 scientific, technical, merchandising, production, financial, business or
27 management information, or anything within the definition of 18 U.S.C. §
28 1839(3).

29 **"§ 75-151. Fair repair requirements.**

- 30 (a) Manufacturers of digital electronic products sold or used in this State are required to
31 do all of the following:
32 (1) Make available to independent repair facilities or owners of products
33 manufactured by the manufacturer diagnostic and repair information,
34 including repair technical updates, diagnostic software, service access
35 passwords, updates and corrections to firmware, and related documentation,
36 free of charge and in the same manner the manufacturer makes available to its
37 authorized repair providers.
38 (2) Make available for purchase by the product owner, or the authorized agent of
39 the owner, service parts, including updates to the firmware of the parts, for
40 purchase upon fair and reasonable terms. Nothing in this section requires the
41 manufacturer to sell service parts if the service parts are no longer available
42 to the manufacturer or the authorized repair channel of the manufacturer.
43 (b) Manufacturers that sell diagnostic, service, or repair information to an independent
44 repair provider or a third-party provider in a format that is standardized with other manufacturers,
45 and on terms and conditions more favorable than the manner and the terms and conditions
46 pursuant to which an authorized repair provider obtains the same diagnostic, service, or repair
47 information, are prohibited from requiring an authorized repair provider to continue purchasing
48 diagnostic, service, or repair information in a proprietary format, unless the proprietary format
49 includes diagnostic, service, repair, or dealership operations information or functionality that is
50 not available in a standardized format.

1 (c) Manufacturers of digital electronic products sold or used in this State shall make
2 available for purchase by owners and independent repair facilities all diagnostic repair tools,
3 incorporating the same diagnostic repair and remote diagnostic capabilities that the manufacturer
4 makes available to its own repair or engineering staff or any authorized repair providers, upon
5 fair and reasonable terms.

6 (d) Manufacturers that provide repair information to aftermarket tool, diagnostics, or
7 third-party service information publications and systems have fully satisfied their obligations
8 under this section and thereafter are not responsible for the content and functionality of
9 aftermarket diagnostic tools or service information systems.

10 (e) Manufacturers of digital electronic products sold or used in the State for the purposes
11 of providing security-related functions may not exclude diagnostic, service, and repair
12 information necessary to reset a security-related electronic function from information provided
13 to owners and independent repair facilities. If necessary for security purposes, manufacturers
14 may provide information necessary to reset and unlock system or security-related electronic
15 modules to owners and independent repair facilities through an appropriate secure data release
16 system.

17 **"§ 75-152. No requirement to divulge trade secret.**

18 This Article does not require the manufacturer to divulge a trade secret.

19 **"§ 75-153. No abrogation of contract.**

20 This Article shall not be interpreted or construed to abrogate, interfere with, contradict, or
21 alter the terms of an agreement executed between an authorized repair provider and a
22 manufacturer, including, but not limited to, performing warranty or recall repair work by an
23 authorized repair provider on behalf of a manufacturer pursuant to the authorized repair
24 agreement. Except in the case of a dispute arising between a manufacturer and its authorized
25 repair provider related to either party's compliance with an existing repair agreement, an
26 authorized repair provider has all of the rights and remedies provided in this section.

27 **"§ 75-154. No access to certain information.**

28 This Article does not require manufacturers or authorized repair providers to provide an
29 owner or independent repair provider access to nondiagnostic and nonrepair information
30 provided by a manufacturer to an authorized repair provider pursuant to the terms of an
31 authorizing agreement.

32 **"§ 75-155. Right to cure.**

33 (a) An independent repair provider or owner who believes that a manufacturer has failed
34 to provide information, including documentation, updates to firmware, safety and security
35 corrections, diagnostics, documentation, or a tool required by this section, must notify the
36 manufacturer in writing and give the manufacturer 30 days from the time the manufacturer
37 receives the complaint to cure the failure. If the manufacturer cures the complaint within 30 days,
38 damages are limited to actual damages in any subsequent litigation.

39 (b) If the manufacturer fails to respond to the notice provided in subsection (a) of this
40 section, or if an independent repair facility or owner is not satisfied with the manufacturer's cure,
41 the independent repair facility or owner may file a complaint in district court. The complaint
42 must include all of the following:

43 (1) Written information confirming that the complainant has attempted to acquire
44 and use, through the then-available standard support function provided by the
45 manufacturer, all relevant diagnostics, tools, service parts, documentation,
46 and updates to embedded software, including communication with customer
47 assistance via the manufacturer's then-standard process, if made available by
48 the manufacturer.

49 (2) Evidence of manufacturer notification as required in subsection (a) of this
50 section."

51 **SECTION 2.** This act becomes effective October 1, 2025.