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Short Title: Flea Market Records.

(Public)

Sponsors:

Referred to:

May 12, 1993

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THAT FAILURE TO PROVIDE OR PROVIDING FALSE INFORMATION BY ITINERANT MERCHANTS ON THEIR SOURCE OF MERCHANDISE SHALL CONSTITUTE A CLASS 3 MISDEMEANOR, AND TO AUTHORIZE IMPOUNDMENT OF MERCHANDISE IN SPECIFIED CIRCUMSTANCES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-53 reads as rewritten:

"§ 105-53. Peddlers, itinerant merchants, and specialty market operators.

(a) Peddler. – Every person engaged in business or employed as a peddler shall obtain a license from the Secretary of Revenue for the privilege of peddling goods and shall pay a tax for the license in the amount specified in this section. A 'peddler' is a person who travels from place to place with an inventory of goods, who sells the goods at retail or offers the goods for sale at retail, and who delivers the identical goods he carries with him. A peddler of only farm products shall pay a tax of twenty-five dollars (\$25.00) regardless of the number of counties in which he peddles goods. A peddler who travels from place to place on foot, selling goods other than or in addition to farm products, shall pay a tax of ten dollars (\$10.00) for each county in which he peddles goods. A peddler who travels from place to place by vehicle, selling goods other than

1 or in addition to farm products, shall pay a tax of twenty-five dollars (\$25.00) for each
2 county in which he peddles goods.

3 (b) Itinerant Merchant. – Every person engaged in business as an itinerant
4 merchant shall obtain a license from the Secretary of Revenue for the privilege of
5 engaging in business and shall pay a tax for the license of one hundred dollars (\$100.00)
6 for each county in which he is engaged in business. An 'itinerant merchant' is a
7 merchant, other than a merchant with an established retail store in the county, who
8 transports an inventory of goods to a building, vacant lot, or other location in a county
9 and who, at that location, displays the goods for sale and sells the goods at retail or
10 offers the goods for sale at retail. An itinerant merchant's license is not required to
11 engage in the business of a specialty market vendor at a location licensed as a specialty
12 market under subsection (c) of this section or at a specialty market that is exempt from
13 the license requirement under subsection (c) because the specialty market operator is the
14 State or a unit of local government. A merchant who sells goods, other than farm
15 products, in a county for less than six consecutive months is considered an itinerant
16 merchant unless he stopped selling goods in that county because of his death or
17 disablement, the insolvency of his business, or the destruction of his inventory by fire or
18 other catastrophe.

19 (c) Specialty Market Operator. – Every person, other than the State or a unit of
20 local government, engaged in business as a specialty market operator shall obtain a
21 license from the Secretary of Revenue for the privilege of engaging in business and
22 shall pay a tax for the license of two hundred dollars (\$200.00) for each county in which
23 he is engaged in business. A 'specialty market operator' is a person, other than the State
24 or a unit of local government, who rents space, at a location other than a permanent
25 retail store, to others for the purpose of selling goods at retail or offering goods for sale
26 at retail.

27 (d) Specialty Market Vendor. – The requirements and penalties set out in
28 subsections (i) through (m) of this section apply to every person engaged in business as
29 a specialty market vendor who is liable for retail sales tax under Article 5 of this
30 Chapter. A 'specialty market vendor' is a merchant, other than a merchant with an
31 established retail store in the county, who transports an inventory of goods to a specialty
32 market licensed under subsection (c) of this section and who, at that location, displays
33 the goods for sale and sells the goods at retail or offers the goods for sale at retail. A
34 'specialty market' is a location, other than a permanent retail store, where space is rented
35 to others for the purpose of selling goods at retail or offering goods for sale at retail.

36 (e) Exemptions. – This section does not apply to the following:

- 37 (1) A peddler or itinerant merchant:
- 38 a. Who sells farm or nursery products produced by him;
 - 39 b. Who sells crafts or goods made by him or his own household
40 personal property;
 - 41 c. Who is a nonprofit charitable, educational, religious, scientific,
42 or civic organization;
 - 43 d. Who sells printed material, wood for fuel, ice, seafood, meat,
44 poultry, livestock, eggs, dairy products, bread, cakes, or pies; or

- 1 e. Who is an authorized automobile dealer licensed pursuant to
2 Chapter 20 of the General Statutes.
- 3 (2) A peddler who maintains a fixed permanent location from which he
4 makes at least ninety percent (90%) of his sales, but who sells some
5 goods in the county of his fixed location by peddling.
- 6 (3) An itinerant merchant:
- 7 a. Who locates at a farmer's market;
- 8 b. Who is part of the State Fair or an agriculture fair which is
9 licensed by the Commissioner of Agriculture pursuant to G.S.
10 106-520.3; or
- 11 c. Who sells goods at an auction conducted by an auctioneer
12 licensed pursuant to Chapter 85B of the General Statutes.
- 13 (4) A peddler who complies with the requirements of G.S. 25A-38
14 through G.S. 25A-42, or who complies with the requirements of G.S.
15 14-401.13.
- 16 (f) Person Defined. – As used in this section, 'person' has the same meaning as in
17 G.S. 105-164.3(11).
- 18 (g) County Exemption. – The board of county commissioners of any county in
19 this State, upon proper application, may exempt from the annual license tax levied upon
20 peddlers and itinerant merchants in this section disabled veterans of World War I,
21 World War II, Korean Conflict, and Vietnam Era, who have been bona fide residents of
22 this State for 12 or more months continuously, and widows with dependent children;
23 and when so exempted, the board of county commissioners shall furnish such person or
24 persons with a certificate of exemption, and such certificate shall entitle the holder
25 thereof to sell within the limits of the county without payment of any license tax to the
26 State.
- 27 (h) Repealed by Session Laws 1989, c. 435, s. 1.
- 28 (i) Display and Possession of Licenses and Identification. – An itinerant merchant
29 shall keep both the license required by this section and the retail sales tax license
30 conspicuously and prominently displayed, so as to be visible for inspection by patrons
31 of the itinerant merchant at the places or locations at which the goods are to be sold or
32 offered for sale. A peddler shall have the license required by this section and the retail
33 sales tax license with him at all times he offers goods for sale and must produce them
34 upon the request of any customer, State or local revenue agent, or law enforcement
35 agent. A specialty market vendor shall keep the retail sales tax license conspicuously
36 and prominently displayed, so as to be visible for inspection by patrons of the specialty
37 market vendor at the places or locations at which the goods are to be sold or offered for
38 sale. A specialty market operator shall have the license required by this section
39 available for inspection during all times that the specialty market is open and must
40 produce it upon the request of any customer, State or local revenue agent, or law
41 enforcement agent.
- 42 Upon the request of any customer, State or local revenue agent, or law enforcement
43 agent, a peddler, itinerant merchant, specialty market operator, or specialty market
44 vendor shall provide its name and permanent address. If the peddler, itinerant merchant,

1 specialty market operator, or specialty market vendor is not a corporation, he shall, upon
2 the request of any customer, State or local revenue agent, or law enforcement agent,
3 provide a valid driver's license, a special identification card issued under G.S. 20-37.7,
4 military identification, or a passport bearing a physical description of the person named
5 reasonably describing the peddler, itinerant merchant, specialty market operator, or
6 specialty market vendor. If the peddler, itinerant merchant, specialty market operator,
7 or specialty market vendor is a corporation, it shall, upon the request of any customer,
8 State or local revenue agent, or law enforcement agent, give the name and registered
9 agent of the corporation and the address of the registered office of the corporation, as
10 filed with the North Carolina Secretary of State.

11 (i) Records of Source of New Merchandise. – Each peddler, itinerant merchant,
12 and specialty market vendor shall keep a record of the source of new merchandise the
13 merchant offers for sale. The record may be a receipt or an invoice from the person
14 who sold the merchandise to the merchant or any other documentation that establishes
15 the source of the merchandise. The merchant shall keep the record with the new
16 merchandise being offered for sale and shall maintain the record for a period of three
17 years after the merchandise is sold. Upon the request of a law enforcement agent, the
18 merchant shall produce the record of the source of new merchandise the merchant offers
19 for sale. If the merchant fails to produce the requested record and the law enforcement
20 agent has probable cause to believe the merchant's possession of the merchandise is
21 unlawful, the agent may take the merchandise into custody as evidence. Merchandise
22 impounded under this subsection must be disposed of in accordance with G.S. 15-11.1.

23 (j) Permission of Property Owner. – An itinerant merchant or a peddler who
24 travels from place to place by vehicle, in addition to other requirements of this section,
25 shall obtain a written statement signed by the owner or lessee of any property upon
26 which the itinerant merchant or peddler offers goods for sale giving the owner's or
27 lessee's permission to offer goods for sale upon the property of the owner or lessee.
28 Such statement shall clearly state the name of the owner or lessee, the location of the
29 premises for which the permission is granted, and the dates during which the permission
30 is valid. Further, such statement shall be conspicuously and prominently displayed, so
31 as to be visible for inspection by patrons of the itinerant merchant or peddler, at the
32 places or locations at which the goods are to be sold or offered for sale.

33 (k) Specialty Market Registration List. – A specialty market operator shall
34 maintain a daily registration list of all specialty market vendors selling or offering goods
35 for sale at the specialty market. This registration list shall clearly and legibly show each
36 specialty market vendor's name, permanent address, and retail sales and use tax
37 registration number. The specialty market operator shall require each specialty market
38 vendor to exhibit a valid retail sales tax license for visual inspection by the specialty
39 market operator at the time of registration, and shall require each specialty market
40 vendor to keep the retail sales tax license conspicuously and prominently displayed, so
41 as to be visible for inspection by patrons of the specialty market vendor at the places or
42 locations at which the goods are offered for sale. Each daily registration list maintained
43 pursuant to this subsection shall be retained by the specialty market operator for no less

1 than two years and shall at any time be made available upon request to any law
2 enforcement officer.

3 (l) ~~Penalty.~~Misdemeanor Violations. – It shall be a Class 3 misdemeanor for a
4 person ~~to~~to do any of the following:

5 (1) Fail to obtain a license as required by this ~~section;~~section.

6 (2) Knowingly give false information in the application process for a
7 license or when registering pursuant to subsection ~~(k);~~(k).

8 (3) If the person is an itinerant merchant, fail to display the license as
9 required by subsection ~~(i) or (i);~~ if the person is a peddler or specialty
10 market operator, fail to produce the license as required by subsection
11 ~~(i) or (i);~~ or, if the person is required to do so, fail to comply with
12 subsection (j). Whenever satisfactory evidence shall be presented in
13 any court of the fact that a license was required by this section and
14 such license was not displayed or produced as required by subsection
15 (i), or that permission was required by subsection (j) of this section and
16 was not displayed, the peddler, itinerant merchant, or specialty market
17 operator shall be found not guilty of that violation provided he
18 produces in court a valid license or valid permission which had been
19 issued prior to the time he was charged with such ~~violation;~~or
20 violation.

21 (4) Fail to provide name, address, or identification upon request as
22 required by subsection (i) or provide false information in response to
23 such a request.

24 (5) Fail to keep a record of the source of new merchandise offered for sale
25 as required by subsection (il).

26 (ll) ~~Additional Penalties.~~Misdemeanor Violations. – It shall be a Class 3
27 misdemeanor, which may include a fine of up to one thousand dollars (\$1,000), for a
28 specialty market operator to fail to comply with subsection (k) or for a specialty market
29 vendor to fail to display the retail sales tax license as required by subsection (i). For the
30 purposes of this section, the requirement that a retail sales tax license be displayed is
31 satisfied if the vendor displays either (i) a copy of the license or (ii) evidence that the
32 license has been applied for and the applicable license fee has been paid within 30 days
33 before the date the license was required to be displayed. Whenever satisfactory
34 evidence shall be presented in any court of the fact that display of a retail sales tax
35 license was required by this section and such license was not displayed, the specialty
36 market operator or vendor shall not be found guilty of that violation provided he
37 produces in court a valid license which had been issued prior to the time he was charged
38 with the violation.

39 (m) Local License. – Counties and cities may levy a license tax on a business
40 taxed under this section in an amount that does not exceed the State tax. Further, this
41 section does not affect the authority of a county or city to impose additional
42 requirements on peddlers, itinerant merchants, specialty market vendors, or specialty
43 market operators by an ordinance adopted under G.S. 153A-125 or G.S. 160A-178."

1 Sec. 2. This act becomes effective January 1, 1995, and applies to offenses
2 committed on or after that date.