

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE DRS55136-MC-113 (03/07)

Short Title: Annual Transaction Reports Requirement. (Public)

Sponsors: Senator Hartsell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE ANNUAL TRANSACTION REPORTS.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Part 4 of Article 5 of Chapter 105 of the General Statutes is amended
5 by adding a new section to read:

6 **"§ 105-164.16A. Annual transaction reports.**

7 (a) Definitions. –

8 (1) Reserved.

9 (2) Reserved.

10 (3) Franchise. – An agreement or license from an owner of a trademark or trade
11 name permitting another to sell a product or service under that name or
12 mark.

13 (4) Franchisee. – A person granted a franchise by a franchisor.

14 (5) Franchisor. – A person that grants a franchise to a franchisee.

15 (6) Reserved.

16 (7) Reserved.

17 (8) Liability policy. – Defined in G.S. 20-279.21.

18 (b) Annual Transaction Report. – A taxpayer listed in subsection (c) of this section must
19 submit an annual report by May 1 of each year to the Secretary. The report must include the
20 following information:

21 (1) The name and address of a recipient of consideration paid by an insurer or of
22 a franchisee.

23 (2) The date of each transaction.

24 (3) If the report is by an insurer, the amount of consideration paid, itemized by
25 recipient, and the total consideration paid during the period covered by the
26 report.

27 (4) If the report is by a franchisor, the gross sales of each franchise located in
28 this State, as reported by the franchisee to the franchisor; the total amount of
29 sales by the franchisor to the franchisee, itemized by franchisee; and the
30 income of each franchise located in this State, as reported by the franchisee
31 to the franchisor.

32 (c) Taxpayers Covered. – The following persons must file an annual transaction report
33 required by subsection (b) of this section:

34 (1) An insurer that is licensed to issue a motor vehicle liability policy and that
35 paid, during the period covered by the annual transaction report,



- 1 consideration under a liability policy for servicing or repair in this State on
2 behalf of an insured.
3 (2) A franchisor making a wholesale or retail sale to a franchisee during the
4 period covered by the annual transaction report."
5 **SECTION 2.** This act becomes effective January 1, 2011.