

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 220
HOUSE BILL 18

AN ACT TO INCREASE THE MAXIMUM AMOUNT OF THE BOND REQUIRED OF DISTRIBUTORS OF MOTOR FUEL AND SUPPLIERS OF SPECIAL FUEL, TO REQUIRE PERSONS WHO ARE BOTH DISTRIBUTORS AND SUPPLIERS TO FILE A BOND SUFFICIENT TO COVER BOTH LIABILITIES; AND TO IMPOSE PERSONAL LIABILITY UPON RESPONSIBLE CORPORATE OFFICERS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-253 is amended:

(a) by designating the three paragraphs thereof as subsections (a), (b) and (c) respectively;

(b) with respect to the second paragraph thereof, hereinabove designated as subsection (b),

(1) by deleting from subparagraph (1) the word "and" following the semicolon at the end thereof;

(2) by changing the period at the end of subparagraph (2) to a semicolon, and by adding the word "and" thereafter;

(3) by adding a new subparagraph (3), to read as follows:

"(3) For all taxes due from the corporation pursuant to the provisions of Article 36 and Article 36A of Subchapter V of this Chapter.";

(4) in the fifth sentence thereof between the word "remitting" and the words "to the Secretary," striking the words "sales and use tax" and substituting the words "the taxes".

Sec. 2. G.S. 105-433 is amended as follows:

(1) by deleting the phrase "twenty thousand dollars (\$20,000)" and inserting in lieu thereof the phrase "forty thousand dollars (\$40,000)";

(2) by inserting a new sentence between the third and fourth sentences of that section to read:

"A distributor who is also required to be bonded under G.S. 105-449.5 as a supplier of special fuels may file a single bond, under either this section or under G.S. 105-449.5, for the combined amount required under these sections but not exceeding eighty thousand dollars (\$80,000) and conditioned upon compliance with the requirements of Article 36 and Article 36A of this Subchapter."

Sec. 3. G.S. 105-449.5 is amended by rewriting the same to read as follows:

"§ 105-449.5. Supplier to file bond. – A supplier's license shall not be issued until the applicant has filed with the Secretary a bond in the approximate sum of three times the

average monthly tax due to be paid by such supplier, but the amount of the bond shall in no case be less than five hundred dollars (\$500.00) nor more than forty thousand dollars (\$40,000). Such bond shall be in such form and with such surety or sureties as may be required by the Secretary, conditioned upon making proper reports and paying the tax provided for in this Article, and otherwise complying with the provisions of this Article. A supplier who is also required to be bonded under G.S. 105-433 as a distributor of motor fuels may file a single bond, under either this section or under G.S. 105-433 for the combined amount required under these sections but not exceeding eighty thousand dollars (\$80,000), and conditioned upon compliance with the requirements of Article 36 and Article 36A of this Subchapter."

Sec. 4. This act shall become effective July 1, 1983.

In the General Assembly read three times and ratified, this the 25th day of April, 1983.