§ 105-113.4B. Cancellation or revocation of license.

(a) Cancellation. – The Secretary may cancel a license issued under this Article upon the written request of the licensee. The licensee's request must include a proposed effective date of cancellation. The licensee must return the license to the Secretary on or before the proposed effective date. If the licensee's request does not include a proposed effective date of cancellation, the license is cancelled 15 days after the Department receives the written request. If the license is unable to be returned, the licensee must include a written statement of the reasons, satisfactory to the Secretary, why the license cannot be returned. The Secretary shall notify the licensee when the license is cancelled.

(a1) Revocation. – The Secretary may summarily revoke a license issued under this Article when the Secretary finds that the licensee is incurring liability for the tax imposed under this Article after failing to pay a tax when due under this Article. In addition, the Secretary may revoke the license of a licensee that commits one or more of the following acts after holding a hearing on whether the license should be revoked:

1. Fails to obtain a license in a timely manner or for all places of business as required by this Article.
2. Willfully fails to file a return required by this Article.
3. Willfully fails to pay a tax when due under this Article.
4. Makes a false statement in an application or return required under this Article.
5. Fails to keep records as required by this Article.
6. Refuses to allow the Secretary or a representative of the Secretary to examine the person's books, accounts, and records concerning tobacco product.
7. Fails to disclose the correct amount of tobacco product taxable in this State.
8. Fails to file a replacement bond or an additional bond if required by the Secretary under this Article.
10. Fails to meet or maintain the requirements set out in G.S. 105-113.4A(b).

(b) Procedure. – The Secretary must send a person whose license is summarily revoked a notice of the revocation and must give the person an opportunity to have a hearing on the revocation within 10 days after the revocation. The Secretary must give a person whose license may be revoked after a hearing at least 10 days' written notice of the date, time, and place of the hearing. A notice of a summary license revocation and a notice of hearing must be sent by certified mail to the last known address of the licensee. If the person whose license may be revoked fails to attend the noticed hearing, the license revocation is effective 15 days after the noticed hearing.

(c) Release of Bond. – When the Secretary cancels or revokes a license and the licensee has paid all taxes and penalties due under this Article, the Secretary must take one of the following actions concerning a bond or an irrevocable letter of credit filed by the licensee:

1. Return an irrevocable letter of credit to the licensee.
2. Return a bond to the licensee or notify the person liable on the bond and the licensee that the person is released from liability on the bond. (1999-333, s. 6; 2013-414, s. 22(b); 2017-204, s. 4.3(b); 2019-169, ss. 4.1(b), 4.2(b); 2020-58, s. 2.3(a).)