

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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SENATE DRS65172-LCxf-16B (1/24)

Short Title: Tax Collection at Gun Shows. (Public)

Sponsors: Senator Rand.

Referred to:

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE FOR TAX COLLECTION AT GUN SHOWS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 14 of the General Statutes is amended by adding a new Article to read:

"Article 54C.

"Gun Shows.

**"§ 14-415.30. Definitions.**

The following definitions apply in this Article:

(1) Firearm. – Any one or more of the following:

a. A weapon, by whatever name known, that is designed to expel a projectile by the action of powder and that is readily capable of use as a weapon, but excluding an antique firearm as defined in G.S. 14-409.11.

b. The frame or receiver of a weapon described in sub-subdivision a. above.

c. A firearm muffler or firearm silencer.

(2) Gun show. – An event that meets both of the conditions in this subdivision. The term includes any area near the location of the event that is used for parking for the event.

a. One hundred or more firearms or other weapons described in G.S. 14-269(a), but not including historic edged weapons as defined in G.S. 14-409.12, are offered or exhibited for sale, transfer, or exchange at the event.

b. Ten or more persons are offering or exhibiting firearms for sale, transfer, or exchange at the event.

1           (3) Gun show promoter. – A person who organizes, operates, promotes, or  
2           otherwise sponsors a gun show. The term includes the employees of  
3           the promoter.

4           (4) Vendor. – A person who exhibits a firearm for sale, transfer, or  
5           exchange at a gun show.

6 **"§ 14-415.31. Gun show promoter permit.**

7           (a) Permit Required. – No person shall organize, operate, promote, or otherwise  
8           sponsor a gun show in any county unless the person has first obtained a permit as a gun  
9           show promoter from the sheriff of that county. A separate permit is required for each  
10           gun show, and the permit expires at the conclusion of the gun show for which it was  
11           obtained.

12           (b) Application. – At least 60 days before the date of the gun show but no more  
13           than 90 days before the date of the gun show, the gun show promoter must file an  
14           application for a gun show permit with the sheriff of the county in which the gun show  
15           will take place. The application must include the time and location of the gun show and  
16           any other information requested by the sheriff.

17           (c) Fee. – At the time the gun show promoter permit application is submitted to  
18           the sheriff, the applicant must also submit a fee of one hundred dollars (\$100.00). The  
19           sheriff shall transmit the proceeds of this fee to the county finance officer. The proceeds  
20           of this fee shall be allocated to the sheriff to be used to pay the costs of administering  
21           this Article and for other law enforcement purposes. The county shall not expend the  
22           proceeds for any other purposes and shall not use the proceeds to supplant other funds  
23           available to the sheriff.

24           (d) Issuance of Permit. – The sheriff must inform the applicant within 30 days  
25           after the date of the application whether the permit is granted or denied. If the sheriff  
26           determines that the applicant qualifies for a gun show promoter permit under this  
27           subsection, then the permit must be granted. If the sheriff determines that the applicant  
28           does not qualify for a gun show promoter permit under this subsection, then the sheriff  
29           must provide the applicant a written statement of the reasons for the denial. An  
30           applicant may appeal the denial by petitioning a district court judge of the district in  
31           which the application was filed. The determination by the court, on appeal, shall be  
32           upon the facts, the law, and the reasonableness of the sheriff's denial.

33           An applicant qualifies for a gun show promoter permit if all of the following  
34           conditions are met:

35           (1) The sheriff verifies by a criminal history background investigation that  
36           it is not a violation of State or federal law for the applicant to purchase,  
37           transfer, receive, or possess a handgun. The sheriff shall determine the  
38           criminal history of an applicant by accessing computerized criminal  
39           history records as maintained by the State Bureau of Investigation and  
40           the Federal Bureau of Investigation, by conducting a national criminal  
41           history records check, and by conducting a criminal history check  
42           through the Administrative Office of the Courts.

1           (2)    The applicant demonstrates by affidavits, oral evidence, or otherwise  
2           to the satisfaction of the sheriff that the applicant is of good moral  
3           character.

4           (3)    The sheriff finds that the applicant could not be denied a permit under  
5           G.S. 14-404(c).

6           (4)    The applicant has paid the gun show promoter permit fee.

7    **"§ 14-415.32. Display and sale of firearms at gun show.**

8           Except as otherwise provided by this section, a person who displays a firearm for  
9           purposes of sale at a gun show or who sells, leases, or otherwise transfers a firearm to  
10          another person at a gun show must be licensed as a dealer under 18 U.S.C. § 923 and  
11          must post the license in accordance with 27 C.F.R. §178.91 and §178.100(a). A transfer  
12          of a handgun must comply with Article 52A of this Chapter.

13          A person may display a firearm for sale at a gun show without being licensed as a  
14          dealer. However, a person who displays a firearm for sale without being licensed as a  
15          dealer may not sell, lease, or otherwise transfer a firearm unless the transaction is  
16          conducted through a person licensed as a dealer under 18 U.S.C. § 923.

17    **"§ 14-415.33. Sales tax requirements.**

18          (a)    Vendor. – Each vendor must obtain a sales tax certificate of registration as  
19          required by G.S. 105-164.29 and keep the certificate conspicuously displayed at the gun  
20          show as required by G.S. 66-252. At the conclusion of the show, each vendor must  
21          certify to the gun show promoter the total sales price of orders taken or completed at the  
22          show. Notwithstanding the provisions of G.S. 105-164.16, at the conclusion of a gun  
23          show, each vendor must file a sales tax return and pay the tax under Article 5 of Chapter  
24          105 of the General Statutes within 10 days after the end of the semimonthly period  
25          during which the show concluded as if the vendor were required to report on a  
26          semimonthly basis under G.S. 105-164.16.

27          (b)    Promoter. – The gun show promoter must maintain a daily registration list of  
28          the names and sales tax registration numbers of all vendors selling or offering goods at  
29          the gun show in accordance with G.S. 66-255. At the conclusion of the gun show, the  
30          gun show promoter must file with the sheriff's office a copy of the daily registration lists  
31          including the total amount of sales certified by each vendor pursuant to subsection (a) of  
32          this section. This information must be in the form required by the sheriff.

33          (c)    The sheriff shall retain the information provided by gun show promoters for  
34          two years and make it available upon request to any State, federal, or local government  
35          official for the purpose of tax administration or law enforcement.

36    **"§ 14-415.34. Violation punishable as a misdemeanor.**

37          A violation of this Article is a Class 1 misdemeanor. It is an affirmative defense  
38          under this section for a gun show promoter that both of the following conditions are  
39          met:

40               (1)    The gun show promoter made a good faith effort to ensure that persons  
41               displaying, selling, leasing, or otherwise transferring firearms  
42               complied with the requirements of this Article.

1           (2) The display, sale, lease, or transfer by a noncomplying person occurred  
2           in an area of the gun show other than the primary area used for  
3           displaying, selling, leasing, or otherwise transferring firearms."

4           **SECTION 2.** This act becomes effective January 1, 2004, and applies to  
5 offenses committed on or after that date.