

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

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SENATE BILL 398

Short Title: Direct Sellers Not Employees for UI. (Public)

Sponsors: Senators Tarte, Newton, and Chaudhuri (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 28, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO EXCLUDE DIRECT SELLERS FROM THE DEFINITION OF
3 EMPLOYMENT FOR UNEMPLOYMENT INSURANCE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 96-1(b)(12) reads as rewritten:

6 "(12) Employment. – Defined in section 3306 of the Code, with the following
7 additions and exclusions:

8 a. Additions. – The term includes service to a governmental unit, a
9 nonprofit organization, or an Indian tribe as described in 3306(c)(7)
10 and 3306(c)(8) of the Code.

11 b. Exclusions. – The term excludes all of the following:

12 1. Service performed by an independent contractor.

13 2. Service performed for a governmental entity or nonprofit
14 organization under 3309(b) and 3309(c) of the Code.

15 3. Service by one or more of the following individuals if the
16 individual is authorized to exercise independent judgment and
17 control over the performance of the work and is compensated
18 solely by way of commission:

19 A. A real estate broker, as defined in G.S. 93A-2.

20 B. A securities salesman, as defined in G.S. 78A-2.

21 4. Service performed by a direct seller, as defined in 3508(b)(2)
22 of the Code. The term does not include a person defined in
23 3508(b)(2)(A)(iii) of the Code."

24 **SECTION 2.** This act becomes effective July 1, 2017, applies to claims for
25 benefits filed on or after that date, and applies to tax calculations on or after that date.



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