

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 495  
Senate Judiciary Committee Substitute Adopted 6/4/24

Short Title: Revise Money Laundering/Retail Crime.

(Public)

Sponsors:

Referred to:

March 29, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO CRIMINALIZE MONEY LAUNDERING AND TO REVISE CERTAIN  
3 LARCENY LAWS.

4 The General Assembly of North Carolina enacts:

5  
6 **CRIMINALIZE MONEY LAUNDERING**

7 **SECTION 1.(a)** Article 20 of Chapter 14 of the General Statutes is amended by  
8 adding a new section to read:

9 **"§ 14-118.8. Money laundering.**

10 (a) Definitions. – The following definitions apply in this section:

11 (1) Criminal activity. – An offense that is (i) classified as a felony under the laws  
12 of this State or the United States or (ii) punishable by imprisonment for more  
13 than one year under the laws of another state.

14 (2) Financial institution. – As defined in G.S. 14-119 or as defined in 31 U.S.C.  
15 § 5312.

16 (3) Funds. – Includes any of the following:

17 a. Coin or paper money of the United States or any other country that  
18 circulates and is customarily used and accepted as a medium of  
19 exchange in the country of issue.

20 b. United States silver certificates, United States Treasury notes, and  
21 Federal Reserve System notes.

22 c. An official foreign bank note that is customarily used and accepted as  
23 a medium of exchange in a foreign country and a foreign bank draft.

24 d. Currency or its equivalent, including an electronic fund, a personal  
25 check, a bank check, a traveler's check, a money order, a bearer  
26 negotiable instrument, a bearer investment security, a bearer security,  
27 a certificate of stock in a form that allows title to pass on delivery, or  
28 a digital currency.

29 e. Virtual currency or any other medium of exchange in electronic or  
30 digital format that is not a coin or currency of the United States or any  
31 other country.

32 (4) Insurer. – As defined in G.S. 58-1-5.

33 (5) Proceeds of criminal activity. – Funds acquired or derived directly or  
34 indirectly from, produced through, realized through, or used in the  
35 commission of criminal activity.



1           (6) Transaction. – Any purchase, sale, loan, pledge, gift, transfer, delivery, or  
2 other disposition between any parties, persons, businesses, or entities, and  
3 with respect to a financial institution includes a deposit, withdrawal, transfer  
4 between accounts, exchange of currency, loan, extension of credit, purchase  
5 or sale of any stock, bond, certificate of deposit, or other monetary instrument,  
6 use of a safety deposit box, or any other payment, transfer, or delivery by,  
7 through, or to a financial institution, by whatever means effected.

8           (b) Offense. – A person commits the offense of money laundering if the person or  
9 organization knowingly and willfully does any of the following involving proceeds of criminal  
10 activity or funds that alone or aggregated pursuant to subsection (g) of this section exceed ten  
11 thousand dollars (\$10,000):

12           (1) Acquires or maintains an interest in, conceals, possesses, transfers, or  
13 transports the proceeds of criminal activity.

14           (2) Conducts, supervises, or facilitates a transaction involving the proceeds of  
15 criminal activity.

16           (3) Invests, expends, or receives, or offers to invest, expend, or receive, the  
17 proceeds of criminal activity or funds that the person believes are the proceeds  
18 of criminal activity.

19           (4) Finances or invests, or intends to finance or invest, funds that the person  
20 believes are intended to further the commission of criminal activity.

21           (5) Uses, transports, transmits, or transfers; conspires to use, transport, transmit,  
22 or transfer; or attempts to use, transport, transmit, or transfer the proceeds of  
23 criminal activity to conduct or attempt to conduct a transaction or make other  
24 disposition with the intent to conceal or disguise the nature, location, source,  
25 ownership, or control of the proceeds of criminal activity.

26           (6) Uses the proceeds of criminal activity with the intent to promote, in whole or  
27 in part, the commission of criminal activity.

28           (7) Conducts or attempts to conduct a transaction involving the proceeds of  
29 criminal activity, knowing the property involved in the transaction constitutes  
30 proceeds of criminal activity with the intent to avoid a transaction reporting  
31 requirement under federal law.

32           (c) Knowledge of Criminal Activity. – Knowledge of the nature of the criminal activity  
33 giving rise to the proceeds is required to establish a culpable mental state under this section.

34           (d) Defense. – It is a defense to prosecution under this section that the person acted with  
35 intent to facilitate the lawful seizure, forfeiture, or disposition of funds or other legitimate law  
36 enforcement purpose pursuant to the laws of this State or the United States.

37           (e) Punishment. – In addition to any other civil or criminal penalties provided by law, a  
38 person who commits an offense under subsection (b) of this section shall be punished as follows:

39           (1) If the value of the proceeds or funds is less than one hundred thousand dollars  
40 (\$100,000), the person is guilty of a Class H felony.

41           (2) If the value of the proceeds or funds is one hundred thousand dollars  
42 (\$100,000) or more, the person is guilty of a Class C felony.

43           (f) Forfeiture. – In addition to the punishment set forth in subsection (e) of this section,  
44 all property of every kind used or intended for use in the course of, derived from, maintained by,  
45 or realized through a violation of subsection (b) of this section shall be subject to forfeiture under  
46 the procedure set forth in either G.S. 14-2.3 or G.S. 75D-5.

47           (g) Aggregation. – If the proceeds of criminal activity are related to one scheme or  
48 continuing course of conduct, whether from the same or several sources, the conduct may be  
49 considered as one offense and the value of the proceeds aggregated in determining the  
50 classification of the offense under subsection (e) of this section.

1        (h) Merger. – Each violation of subsection (b) of this section constitutes a separate  
 2 offense and shall not merge with any other offense.

3        (i) Conspiracy. – A person who conspires to commit an offense under subsection (b) of  
 4 this section shall be punished as provided in subsection (e) of this section, and all other provisions  
 5 of this section shall apply to that offense. It shall not be a defense to conspiracy to commit an  
 6 offense under subsection (b) of this section that the person with whom the defendant is alleged  
 7 to have conspired was a law enforcement officer or a person acting at the direction of a law  
 8 enforcement officer that represented to the defendant that the funds are proceeds of or are  
 9 intended to further the commission of criminal activity.

10        (j) Protection from Liability. – Notwithstanding any provision of law to the contrary, a  
 11 financial institution, or an agent of the financial institution, acting in a manner described by  
 12 subsection (d) of this section is not liable for civil damages to a person who (i) claims an  
 13 ownership interest in funds involved in a violation of subsection (b) of this section or (ii) conducts  
 14 with the financial institution or insurer a transaction concerning funds involved in a violation of  
 15 subsection (b) of this section.

16        (k) Venue. – Each county where a part of the violations under subsection (b) of this  
 17 section occurs shall have concurrent venue as described in G.S. 15A-132."

18        **SECTION 1.(b)** G.S. 75D-3(c)(1)c. reads as rewritten:

19                "c. Any conduct involved in a "money laundering" ~~activity;~~  
 20                                activity, including activity covered by G.S. 14-118.8; and"

## 21 **REVISIONS TO CERTAIN LARCENY LAWS**

22        **SECTION 2.(a)** G.S. 14-86.5 reads as rewritten:

### 23 **"§ 14-86.5. Definitions.**

24        The following definitions apply in this Article:

- 25                (1) "Retail property." – Any ~~new~~ article, product, commodity, item, or component  
 26                                intended to be sold in retail commerce.  
 27                (2) ~~"Retail property fence." – A person or business that buys retail property~~  
 28                                ~~knowing or believing that retail property is stolen.~~  
 29                (3) "Theft." – To take possession of, carry away, transfer, or cause to be carried  
 30                                away the retail property of another with the intent to steal the retail property.  
 31                (4) "Value." – The retail value of an item as advertised by the affected retail  
 32                                establishment, to include all applicable taxes.  
 33

34        **SECTION 2.(b)** G.S. 14-86.6 reads as rewritten:

### 35 **"§ 14-86.6. Organized retail theft.**

36        (a) Offense. – A person commits the offense of organized retail theft if the person does  
 37        any of the following:

- 38                (1) Conspires with another person to commit theft of retail property from retail  
 39                                establishments with the intent to ~~sell~~ sell, transfer, or possess that retail  
 40                                property for monetary or other ~~gain, and who takes or causes that retail~~  
 41                                ~~property to be placed in the control of a retail property fence or other person~~  
 42                                ~~in exchange for consideration.~~ gain.  
 43                (2) Receives or possesses any retail property that has been taken or stolen in  
 44                                violation of subdivision (1) of this subsection while knowing or having  
 45                                reasonable grounds to believe the property is stolen.  
 46                (3) Conspires with two or more other persons as an organizer, supervisor,  
 47                                financier, leader, or manager to engage for profit in a scheme or course of  
 48                                conduct to effectuate or intend to effectuate the transfer or sale of property  
 49                                stolen from a merchant in violation of this section.

50        (a1) Repealed by Session Laws 2022-30, s. 1, effective December 1, 2022.

1 (a2) Punishments. – The following classifications apply to the offense of organized retail  
2 theft:

3 (1) An offense when the retail property has a value exceeding one thousand five  
4 hundred dollars (\$1,500) aggregated over a 90-day period is a Class H felony.

5 (2) An offense when the retail property has a value exceeding twenty thousand  
6 dollars (\$20,000) aggregated over a 90-day period is a Class G felony.

7 (3) An offense when the retail property has a value exceeding fifty thousand  
8 dollars (\$50,000) aggregated over a 90-day period is a Class F felony.

9 (4) An offense when the retail property has a value exceeding one hundred  
10 thousand dollars (\$100,000) aggregated over a 90-day period is a Class C  
11 felony.

12 (b) Forfeiture. – Except as otherwise provided in G.S. 14-86.1, any interest a person has  
13 acquired or maintained in violation of this section shall be subject to forfeiture pursuant to the  
14 procedures for forfeiture set out in G.S. 18B-504.

15 (c) Multiple Thefts. – Thefts of retail property occurring in more than one county may be  
16 aggregated into an alleged violation of this section. Each county where a part of the charged  
17 offense occurs has concurrent venue as described in G.S. 15A-132."

18 **SECTION 2.(c)** G.S. 14-72.1 reads as rewritten:

19 **"§ 14-72.1. Concealment of merchandise in mercantile establishments.**

20 (a) Whoever, without authority, willfully conceals the goods or merchandise of any store,  
21 not theretofore purchased by such person, while still upon the premises of such store, shall be  
22 guilty of a misdemeanor and, upon conviction, shall be punished as provided in subsection (e).  
23 Such goods or merchandise found concealed upon or about the person and which have not  
24 theretofore been purchased by such person shall be prima facie evidence of a willful concealment.

25 (b) Repealed by Session Laws 1985 (Regular Session, 1986), c. 841, s. 2.

26 (c) A merchant, or the merchant's agent or employee, or a peace officer who detains or  
27 causes the arrest of any person shall not be held civilly liable for detention, malicious prosecution,  
28 false imprisonment, or false arrest of the person detained or arrested, where such detention is  
29 upon the premises of the store or in a reasonable proximity thereto, is in a reasonable manner for  
30 a reasonable length of time, and, if in detaining or in causing the arrest of such person, the  
31 merchant, or the merchant's agent or employee, or the peace officer had at the time of the  
32 detention or arrest probable cause to believe that the person committed the offense created by  
33 this section. If the person being detained by the merchant, or the merchant's agent or employee,  
34 is a minor under the age of 18 years, the merchant or the merchant's agent or employee, shall call  
35 or notify, or make a reasonable effort to call or notify the parent or guardian of the minor, during  
36 the period of detention. A merchant, or the merchant's agent or employee, who makes a  
37 reasonable effort to call or notify the parent or guardian of the minor shall not be held civilly  
38 liable for failing to notify the parent or guardian of the minor.

39 (d) Whoever, without authority, willfully transfers any price ~~tag-tag, product code, or~~  
40 other price mechanism from goods or merchandise to other goods or merchandise having a higher  
41 selling price or marks said goods at a lower price or substitutes or superimposes thereon a false  
42 price tag and then presents said goods or merchandise for purchase shall be guilty of a  
43 misdemeanor and, upon conviction, shall be punished as provided in subsection (e).

44 Nothing herein shall be construed to provide that the mere possession of goods or the  
45 production by shoppers of improperly priced merchandise for checkout shall constitute prima  
46 facie evidence of guilt.

47 (d1) Notwithstanding subsection (e) of this section, any person who violates subsection (a)  
48 of this section by using a lead-lined or aluminum-lined bag, a lead-lined or aluminum-lined  
49 article of clothing, or a similar device to prevent the activation of any antishoptlifting or inventory  
50 control device is guilty of a Class H felony.

1       (d2) Whoever, without authority, willfully transfers any price tag, product code, or other  
2 price mechanism, from goods or merchandise to other goods or merchandise having a selling  
3 price in excess of two hundred dollars (\$200.00) higher than the price tag, product code, or other  
4 price mechanism from which the price tag, product code, or other pricing mechanism was  
5 transferred and then presents said goods or merchandise for purchase shall be guilty of a Class H  
6 felony.

7       Nothing herein shall be construed to provide that the mere possession of goods or the  
8 production by shoppers of improperly priced merchandise for checkout shall constitute prima  
9 facie evidence of guilt.

10       (e) Punishment. – For a first conviction under subsection (a) or (d), or for a subsequent  
11 conviction for which the punishment is not specified by this subsection, the defendant shall be  
12 guilty of a Class 3 misdemeanor. The term of imprisonment may be suspended only on condition  
13 that the defendant perform community service for a term of at least 24 hours. For a second offense  
14 committed within three years after the date the defendant was convicted of an offense under this  
15 section, the defendant shall be guilty of a Class 2 misdemeanor. The term of imprisonment may  
16 be suspended only on condition that the defendant be imprisoned for a term of at least 72 hours  
17 as a condition of special probation, perform community service for a term of at least 72 hours, or  
18 both. For a third or subsequent offense committed within five years after the date the defendant  
19 was convicted of two other offenses under this section, the defendant shall be guilty of a Class 1  
20 misdemeanor. The term of imprisonment may be suspended only if a condition of special  
21 probation is imposed to require the defendant to serve a term of imprisonment of at least 11 days.  
22 However, if the sentencing judge finds that the defendant is unable, by reason of mental or  
23 physical infirmity, to perform the service required under this section, and the reasons for such  
24 findings are set forth in the judgment, the judge may pronounce such other sentence as the judge  
25 finds appropriate.

26       (f) Repealed by Session Laws 2009-372, s. 12, effective December 1, 2009, and  
27 applicable to offenses committed on or after that date.

28       (g) Limitations. – For active terms of imprisonment imposed under this section:

- 29       (1) The judge may not give credit to the defendant for the first 24 hours of time  
30       spent in incarceration pending trial;
- 31       (2) The defendant must serve the mandatory minimum period of imprisonment  
32       and good or gain time credit may not be used to reduce that mandatory  
33       minimum period; and
- 34       (3) The defendant may not be released or paroled unless he is otherwise eligible  
35       and has served the mandatory minimum period of imprisonment."

36       **SECTION 2.(d)** G.S. 14-72.11 reads as rewritten:

37       "**§ 14-72.11. Larceny from a merchant.**

38       A person is guilty of a Class H felony if the person commits larceny against a merchant under  
39 any of the following circumstances:

- 40       (1) By taking property that has a value of more than two hundred dollars  
41       (\$200.00), using an exit door erected and maintained to comply with the  
42       requirements of 29 C.F.R. § 1910.36 and 29 C.F.R. § 1910.37, to exit the  
43       premises of a store.
- 44       (2) By removing, destroying, or deactivating a component of an antishoplifting or  
45       inventory control device to prevent the activation of any antishoplifting or  
46       inventory control device. As used in this subdivision, the phrase  
47 "antishoplifting or inventory control device" shall mean any physical or  
48 electronic mechanism utilized to prevent larceny from a merchant and  
49 includes, but is not limited to, product security tags affixed to an item,  
50 shelving, security cameras, and security systems utilized by a merchant to  
51 prevent larceny.

- 1           (3) ~~By affixing a product code created for the purpose of fraudulently obtaining~~  
2           ~~goods or merchandise from a merchant at less than its actual sale price.~~  
3           (4) When the property is infant formula valued in excess of one hundred dollars  
4           (\$100.00). As used in this subsection, the term "infant formula," has the same  
5           meaning as found in 21 U.S.C. § 321(z).  
6           (5) By exchanging property for cash, a gift card, a merchandise card, or some  
7           other item of value, knowing or having reasonable grounds to believe the  
8           property is stolen.  
9           (6) By fraudulently creating a product code or any other price mechanism utilized  
10           by a merchant to determine the price of a good with the intent to fraudulently  
11           obtain goods or merchandise from a merchant at less than its actual sale price.  
12           (7) By affixing a product code or any other price mechanism utilized by a  
13           merchant to determine the price of a good when the product code or other  
14           price mechanism was created by someone other than the merchant or  
15           manufacturer of the goods or merchandise for the purpose of fraudulently  
16           obtaining goods or merchandise from a merchant at less than its actual sale  
17           price.  
18           (8) By presenting a good for purchase for the purpose of fraudulently obtaining  
19           goods or merchandise from a merchant at less than its actual sales price  
20           knowing that a product code or any other price mechanism utilized by a  
21           merchant to determine the price of the good has been replaced by a product  
22           code or other price mechanism created by someone other than the merchant  
23           or manufacturer.

24           As used in this section, the phrase "product code or other pricing mechanism" shall mean any  
25           means used by a merchant to designate or identify the price of an item by a person or a merchant  
26           and includes, but is not limited to, a price tag, a Universal Product Code (UPC), or a Quick  
27           Response (QR) Code."

### 29 **EFFECTIVE DATE**

30           **SECTION 3.** This act becomes effective December 1, 2024, and applies to offenses  
31           committed on or after that date.