

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1108

Short Title: Brew on Premises Permits.

(Public)

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Sponsors: Representatives McMahan; Culp, Cunningham, Dockham, Earle, McComas, Tallent, and Weatherly.

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Referred to: Commerce, if favorable, Finance.

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April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE ALCOHOLIC BEVERAGE CONTROL COMMISSION  
TO ISSUE PERMITS FOR "BREW ON PREMISES" BUSINESSES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 18B-307 reads as rewritten:

**"§ 18B-307. Manufacturing offenses.**

(a) Offenses. – It shall be unlawful for any person, except as authorized by this Chapter, to:

(1) Sell or possess equipment ~~or~~ and ingredients intended for use in the manufacture of any alcoholic ~~beverage; beverage, except equipment provided under a Brew on Premises permit;~~ or

(2) Knowingly allow real or personal property owned or possessed by him to be used by another person for the manufacture of any alcoholic ~~beverage; beverage, except pursuant to a Brew on Premises permit.~~

(b) Unlawful Manufacturing. – Except as provided in G.S. 18B-306, it shall be unlawful for any person to manufacture any alcoholic ~~beverage; beverage, except pursuant to a Brew on Premises permit,~~ without first obtaining the applicable ABC permit and revenue licenses.

1 (c) Second Offense of Manufacturing. – A second offense of unlawful  
2 manufacturing of alcoholic beverage shall be a Class I felony."

3 Section 2. G.S. 18B-902(d) reads as rewritten:

4 "(d) Fees. – An application for an ABC permit shall be accompanied by payment of  
5 the following application fee:

6 (1) On-premises malt beverage permit – \$200.00.

7 (2) Off-premises malt beverage permit – \$200.00.

8 (3) On-premises unfortified wine permit – \$200.00.

9 (4) Off-premises unfortified wine permit – \$200.00.

10 (5) On-premises fortified wine permit – \$200.00.

11 (6) Off-premises fortified wine permit – \$200.00.

12 (7) Brown-bagging permit – \$200.00, unless the application is for a  
13 restaurant seating less than 50, in which case the fee shall be \$100.00.

14 (8) Special occasion permit – \$200.00.

15 (9) Limited special occasion permit – \$25.00.

16 (10) Mixed beverages permit – \$750.00.

17 (11) Culinary permit – \$100.00.

18 (12) Unfortified winery permit – \$150.00.

19 (13) Fortified winery permit – \$150.00.

20 (14) Limited winery permit – \$150.00.

21 (15) Brewery permit – \$150.00.

22 (16) Distillery permit – \$150.00.

23 (17) Fuel alcohol permit – \$50.00.

24 (18) Wine importer permit – \$150.00.

25 (19) Wine wholesaler permit – \$150.00.

26 (20) Malt beverage importer permit – \$150.00.

27 (21) Malt beverage wholesaler permit – \$150.00.

28 (22) Bottler permit – \$150.00.

29 (23) Salesman permit – \$25.00.

30 (24) Vendor representative permit – \$25.00.

31 (25) Nonresident malt beverage vendor permit – \$50.00.

32 (26) Nonresident wine vendor permit – \$50.00.

33 (27) Any special one-time permit under G.S. 18B-1002 – \$25.00.

34 (28) Winery special event permit – \$100.00.

35 (29) Mixed beverages catering permit – \$100.00.

36 (30) Guest room cabinet permit – \$750.00.

37 (31) Liquor importer/bottler permit – \$250.00.

38 (32) Brew on Premises permit – \$200.00."

39 Section 3. G.S. 18B-1001 reads as rewritten:

40 "**§ 18B-1001. Kinds of ABC permits; places eligible.**

41 When the issuance of the permit is lawful in the jurisdiction in which the premises is  
42 located, the Commission may issue the following kinds of permits:

- 1           (1)    On-Premises Malt Beverage Permit. – An on-premises malt beverage  
2            permit authorizes the retail sale of malt beverages for consumption on  
3            the premises and the retail sale of malt beverages in the manufacturer's  
4            original container for consumption off the premises. It also authorizes  
5            the holder of the permit to ship malt beverages in closed containers to  
6            individual purchasers inside and outside the State. The permit may be  
7            issued for any of the following:  
8            a.     Restaurants;  
9            b.     Hotels;  
10           c.     Eating establishments;  
11           d.     Food businesses;  
12           e.     Retail businesses;  
13           f.     Private clubs;  
14           g.     Convention centers;  
15           h.     Community theatres.  
16           The permit may also be issued to certain breweries as authorized by  
17           G.S. 18B-1104(7).
- 18           (2)    Off-Premises Malt Beverage Permit. – An off-premises malt beverage  
19            permit authorizes the retail sale of malt beverages in the manufacturer's  
20            original container for consumption off the premises and it authorizes the  
21            holder of the permit to ship malt beverages in closed containers to  
22            individual purchasers inside and outside the State. The permit may be  
23            issued for any of the following:  
24            a.     Restaurants;  
25            b.     Hotels;  
26            c.     Eating establishments;  
27            d.     Food businesses;  
28            e.     Retail businesses.
- 29           (3)    On-Premises Unfortified Wine Permit. – An on-premises unfortified  
30            wine permit authorizes the retail sale of unfortified wine for  
31            consumption on the premises, either alone or mixed with other  
32            beverages, and the retail sale of unfortified wine in the manufacturer's  
33            original container for consumption off the premises. It also authorizes  
34            the holder of the permit to ship unfortified wine in closed containers to  
35            individual purchasers inside and outside the State. The permit may be  
36            issued for any of the following:  
37            a.     Restaurants;  
38            b.     Hotels;  
39            c.     Eating establishments;  
40            d.     Private clubs;  
41            e.     Convention centers;  
42            f.     Cooking schools;  
43            g.     Community theatres;

- 1 h. Wineries.
- 2 (4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified
- 3 wine permit authorizes the retail sale of unfortified wine in the
- 4 manufacturer's original container for consumption off the premises and
- 5 it authorizes the holder of the permit to ship unfortified wine in closed
- 6 containers to individual purchasers inside and outside the State. The
- 7 permit may be issued for retail businesses. The permit may also be
- 8 issued for a winery for sale of its own unfortified wine.
- 9 (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine
- 10 permit authorizes the retail sale of fortified wine for consumption on the
- 11 premises, either alone or mixed with other beverages, and the retail sale
- 12 of fortified wine in the manufacturer's original container for
- 13 consumption off the premises. It also authorizes the holder of the permit
- 14 to ship fortified wine in closed containers to individual purchasers
- 15 inside and outside the State. The permit may be issued for any of the
- 16 following:
- 17 a. Restaurants;
- 18 b. Hotels;
- 19 c. Private clubs;
- 20 d. Community theatres;
- 21 e. Wineries;
- 22 f. Convention centers.
- 23 (6) Off-Premises Fortified Wine Permit. – An off-premises fortified wine
- 24 permit authorizes the retail sale of fortified wine in the manufacturer's
- 25 original container for consumption off the premises and it authorizes the
- 26 holder of the permit to ship fortified wine in closed containers to
- 27 individual purchasers inside and outside the State. The permit may be
- 28 issued for food businesses. The permit may also be issued for a winery
- 29 for sale of its own fortified wine.
- 30 (7) Brown-Bagging Permit. – A brown-bagging permit authorizes each
- 31 individual patron of an establishment, with the permission of the
- 32 permittee, to bring up to eight liters of fortified wine or spirituous
- 33 liquor, or eight liters of the two combined, onto the premises and to
- 34 consume those alcoholic beverages on the premises. The permit may be
- 35 issued for any of the following:
- 36 a. Restaurants;
- 37 b. Hotels;
- 38 c. Private clubs;
- 39 d. Community theatres;
- 40 e. Congressionally chartered veterans organizations.
- 41 (8) Special Occasion Permit. – A special occasion permit authorizes the
- 42 host of a reception, party or other special occasion, with the permission
- 43 of the permittee, to bring fortified wine and spirituous liquor onto the

1 premises of the business and to serve the same to his guests. The permit  
2 may be issued for any of the following:

- 3 a. Restaurants;
- 4 b. Hotels;
- 5 c. Eating establishments;
- 6 d. Private clubs;
- 7 e. Convention centers.

8 (9) Limited Special Occasion Permit. – A limited special occasion permit  
9 authorizes the permittee to bring fortified wine and spirituous liquor  
10 onto the premises of a business, with the permission of the owner of that  
11 property, and to serve those alcoholic beverages to the permittee's  
12 guests at a reception, party, or other special occasion being held there.  
13 The permit may be issued to any individual other than the owner or  
14 possessor of the premises. An applicant for a limited special occasion  
15 permit shall have the written permission of the owner or possessor of  
16 the property on which the special occasion is to be held.

17 (10) Mixed Beverages Permit. – A mixed beverages permit authorizes the  
18 retail sale of mixed beverages for consumption on the premises. The  
19 permit also authorizes a mixed beverages permittee to obtain a  
20 purchase-transportation permit under G.S. 18B-403 and 18B-404, and to  
21 use for culinary purposes spirituous liquor lawfully purchased for use in  
22 mixed beverages. The permit may be issued for any of the following:

- 23 a. Restaurants;
- 24 b. Hotels;
- 25 c. Private clubs;
- 26 d. Convention centers;
- 27 e. Community theatres;
- 28 f. Nonprofit organizations; and
- 29 g. Political organizations.

30 (11) Culinary Permit. – A culinary permit authorizes a permittee to possess  
31 up to 12 liters of either fortified wine or spirituous liquor, or 12 liters of  
32 the two combined, in the kitchen of a business and to use those  
33 alcoholic beverages for culinary purposes. The permit may be issued for  
34 either of the following:

- 35 a. Restaurants;
- 36 b. Hotels.
- 37 c. Cooking schools.

38 A culinary permit may also be issued to a catering service to allow the  
39 possession of the amount of fortified wine and spirituous liquor stated  
40 above at the business location of that service and at the cooking site.  
41 The permit shall also authorize the caterer to transport those alcoholic  
42 beverages to and from the business location and the cooking site, and  
43 use them in cooking.

- 1 (12) Mixed Beverages Catering Permit. – A mixed beverages catering permit  
2 authorizes a hotel or a restaurant that has a mixed beverages permit to  
3 bring spirituous liquor onto the premises where the hotel or restaurant is  
4 catering food for an event and to serve the liquor to guests at the event.
- 5 (13) Guest Room Cabinet Permit. – A guest room cabinet permit authorizes a  
6 hotel having a mixed beverages permit to sell to its room guests, from  
7 securely locked cabinets, malt beverages, unfortified wine, fortified  
8 wine, and spirituous liquor. A permittee shall designate and maintain at  
9 least ten percent (10%) of the permittee's guest rooms as rooms that do  
10 not have a guest room cabinet. A permittee may dispense alcoholic  
11 beverages from a guest room cabinet only in accordance with written  
12 policies and procedures filed with and approved by the Commission. A  
13 permittee shall provide a reasonable number of vending machines,  
14 coolers, or similar machines on premises for the sale of soft drinks to  
15 hotel guests.
- 16 A guest room cabinet permit may be issued for any of the following:
- 17 a. A hotel located in a county subject to G.S. 18B-600(f).  
18 b. A hotel located in a county that has a population in excess of  
19 150,000 by the last federal census.
- 20 (14) Brew on Premises Permit. A permit may be issued to a business, in any  
21 county with a population of 500,000 or more, where retail clients  
22 purchase ingredients and rent the equipment, time, and space to brew  
23 malt beverages in amounts allowed for personal use pursuant to G.S.  
24 18B-300.
- 25 The retail client shall:
- 26 a. Select a recipe and kettle;  
27 b. Weigh out the proper ingredients and add them to the kettle;  
28 c. Transfer the wort to the fermenter;  
29 d. Add the yeast;  
30 e. Place the ingredients in a fermentation room; and  
31 f. Filter, carbonate, and bottle the malt beverage.
- 32 The permittee may:
- 33 a. Assist the retail client in all steps except adding the yeast; and  
34 b. May transfer the ingredients from the fermentation room to the  
35 cold room."
- 36 Section 4. This act is effective when it becomes law.