

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1595
Committee Substitute Favorable 5/20/09
Committee Substitute #2 Favorable 6/3/09

Short Title: Malt Beverage Special Permit.

(Public)

Sponsors:

Referred to:

May 6, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE NORTH CAROLINA ALCOHOLIC BEVERAGE
3 CONTROL COMMISSION TO ISSUE MALT BEVERAGE SPECIAL EVENT
4 PERMITS AND MALT BEVERAGE TASTING PERMITS IN THE SAME OR SIMILAR
5 MANNER AS WINE.

6 Whereas, in 2001 the North Carolina General Assembly approved wine tasting
7 permits and winery special event permits and affirmed and clarified these permits in 2005; and

8 Whereas, North Carolina's wineries have blossomed into a \$1,000,000,000 industry
9 in North Carolina creating jobs and furthering North Carolina's visibility as a tourism
10 destination; and

11 Whereas, North Carolina wineries have helped transform communities and served
12 as an economic engine; and

13 Whereas, North Carolina's craft brewers are also a growing industry in North
14 Carolina with more than 20 craft breweries located in North Carolina; and

15 Whereas, North Carolina's craft brewers could also serve as an economic engine
16 throughout North Carolina and create jobs and serve as a tourist draw; and

17 Whereas, North Carolina is now being recognized as a highly respected State for
18 specialty malt beverages; and

19 Whereas, the creation of a malt beverage special event permit and a malt beverage
20 tasting permit will help grow this industry in a similar fashion as similar actions taken by the
21 North Carolina General Assembly have helped grow North Carolina's wine industry; Now,
22 therefore,

23 The General Assembly of North Carolina enacts:

24 **SECTION 1.** G.S. 18B-902(d) reads as rewritten:

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

- 27 (1) On-premises malt beverage permit – \$400.00.
- 28 (2) Off-premises malt beverage permit – \$400.00.
- 29 (3) On-premises unfortified wine permit – \$400.00.
- 30 (4) Off-premises unfortified wine permit – \$400.00.
- 31 (5) On-premises fortified wine permit – \$400.00.
- 32 (6) Off-premises fortified wine permit – \$400.00.
- 33 (7) Brown-bagging permit – \$400.00, unless the application is for a restaurant
34 seating less than 50, in which case the fee shall be \$200.00.
- 35 (8) Special occasion permit – \$400.00.
- 36 (9) Limited special occasion permit – \$50.00.



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- 1 (10) Mixed beverages permit – \$1,000.
2 (11) Culinary permit – \$200.00.
3 (12) Unfortified winery permit – \$300.00.
4 (13) Fortified winery permit – \$300.00.
5 (14) Limited winery permit – \$300.00.
6 (15) Brewery permit – \$300.00.
7 (16) Distillery permit – \$300.00.
8 (17) Fuel alcohol permit – \$100.00.
9 (18) Wine importer permit – \$300.00.
10 (19) Wine wholesaler permit – \$300.00.
11 (20) Malt beverage importer permit – \$300.00.
12 (21) Malt beverage wholesaler permit – \$300.00.
13 (22) Bottler permit – \$300.00.
14 (23) Salesman permit – \$100.00.
15 (24) Vendor representative permit – \$50.00.
16 (25) Nonresident malt beverage vendor permit – \$100.00.
17 (26) Nonresident wine vendor permit – \$100.00.
18 (27) Any special one-time permit under G.S. 18B-1002 – \$50.00.
19 (28) Winery special event permit – \$200.00.
20 (29) Mixed beverages catering permit – \$200.00.
21 (30) Guest room cabinet permit – \$1,000.
22 (31) Liquor importer/bottler permit – \$500.00.
23 (32) Cider and vinegar manufacturer permit – \$200.00.
24 (33) Brew on premises permit – \$400.00.
25 (34) Wine producer permit – \$300.00.
26 (35) Wine tasting permit – \$100.00.
27 (36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and
28 applicable to wine shipper permit applications submitted on or after that
29 date.
30 (37) Wine shop permit – \$100.00.
31 (38) Winemaking on premises permit – \$400.00.
32 (39) Wine shipper packager permit – \$100.00.
33 (40) Malt beverage special event permit – \$200.00.
34 (41) Malt beverage tasting permit – \$100.00."
35 **SECTION 2.** G.S. 18B-1001 is amended by adding a new subdivision to read:
36 "(18) Malt Beverage Tasting Permit. – A malt beverage tasting permit authorizes
37 malt beverage tastings on a premises holding a retail permit, by the retail
38 permit holder or his employee. A representative of the brewery whose
39 beverages are being featured at the tasting shall be present at the tasting
40 unless the wholesaler, or a wholesaler's employee, determines that no
41 representative of the brewery needs to be present. A malt beverage tasting
42 consists of the offering of a sample of one or more malt beverage products,
43 in amounts of no more than two ounces for each sample, without charge, to
44 customers of the business. Any persons pouring malt beverage at a malt
45 beverage tasting shall be at least 21 years of age.
46 a. Representatives of the brewery which produced the malt beverage, a
47 wholesaler, or a wholesaler's employee may assist with the tasting.
48 Assisting with a malt beverage tasting includes:
49 1. Pouring samples for customers.
50 2. Checking the identification of patrons being served at the
51 malt beverage tasting.

- 1 b. When a representative of the brewery that produced the malt
 2 beverage, a malt beverage wholesaler, or a malt beverage
 3 wholesaler's employee assists in a malt beverage tasting conducted
 4 by a retail permit holder:
- 5 1. The retail permit holder shall designate an employee to
 6 actively supervise the malt beverage tasting.
 - 7 2. A retail permit holder's employee shall not supervise more
 8 than three malt beverage tasting areas.
 - 9 3. No more than six malt beverages may be tasted at any one
 10 tasting area.
 - 11 4. The malt beverage tasting shall not last longer than four hours
 12 from the time designated as the starting time by the retail
 13 permit holder.
- 14 c. The retail permit holder shall be solely liable for any violations of
 15 this Chapter occurring in connection with the malt beverage tasting.
 16 The Commission shall adopt rules to assure that the tastings are
 17 limited to samplings and not a subterfuge for the unlawful sale or
 18 distribution of malt beverages, and that the tastings are not used by
 19 industry members for unlawful inducements to retail permit holders.
 20 Except for purposes of this subdivision, the holder of a malt beverage
 21 tasting permit shall not be construed to hold a permit for the
 22 on-premises sale or consumption of alcoholic beverages. Any food
 23 business is eligible for a malt beverage tasting permit."

24 **SECTION 3.** G.S. 18B-1100 reads as rewritten:

25 **"§ 18B-1100. Commercial permits.**

26 The Commission may issue the following commercial permits:

- 27 (1) Unfortified winery
- 28 (2) Fortified winery
- 29 (3) Limited winery
- 30 (4) Brewery
- 31 (5) Distillery
- 32 (6) Fuel alcohol
- 33 (7) Wine importer
- 34 (8) Wine wholesaler
- 35 (9) Malt beverages importer
- 36 (10) Malt beverages wholesaler
- 37 (11) Bottler
- 38 (12) Salesman
- 39 (13) Vendor representative
- 40 (14) Nonresident malt beverage vendor
- 41 (15) Nonresident wine vendor
- 42 (16) Winery special show
- 43 (17) Liquor importer/bottler permit
- 44 (18) Cider and vinegar ~~manufacturer~~ manufacturer
- 45 (19) Wine producer ~~permit~~ permit
- 46 (20) Malt beverage special event permit."

47 **SECTION 4.** Article 11 of Chapter 18B of the General Statutes is amended by
 48 adding a new section to read:

49 **"§ 18B-1114.5. Authorization of malt beverage special event permit.**

50 (a) Authorization. – The holder of a brewery, malt beverage importer, or nonresident
 51 malt beverage vendor permit may obtain a malt beverage special event permit allowing the

1 permittee to give free tastings of its malt beverages and to sell its malt beverages by the glass or
2 in closed containers at trade shows, conventions, shopping malls, malt beverage festivals, street
3 festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other
4 similar events approved by the Commission.

5 (b) Limitation. – A malt beverage special event permit is valid only in a jurisdiction that
6 has approved the establishment of ABC stores or has approved the sale of malt beverages. A
7 malt beverage special event shall not be used as subterfuge for malt beverages suppliers to ship
8 directly to retail permittees unless otherwise authorized by law."

9 **SECTION 5.** This act becomes effective October 1, 2009.