

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

S

4

SENATE BILL 155  
Finance Committee Substitute Adopted 5/31/17  
House Committee Substitute Favorable 6/22/17  
House Committee Substitute #2 Favorable 6/26/17

Short Title: ABC Omnibus Legislation.

(Public)

Sponsors:

Referred to:

March 2, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOLIC BEVERAGE  
3 CONTROL COMMISSION LAWS.

4 The General Assembly of North Carolina enacts:

5  
6 **DISTILLERY PERMIT AMENDMENTS**

7 **SECTION 1.(a)** G.S. 18B-1105 reads as rewritten:

8 **"§ 18B-1105. Authorization of distillery permit.**

9 (a) Authorized Acts. – The holder of a distillery permit may do any of the following:

10 (1) Manufacture, purchase, import, possess and transport ingredients and  
11 equipment used in the distillation of spirituous liquor.

12 (2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to  
13 exporters and local boards within the State, and, ~~subject to the laws of other~~  
14 ~~jurisdictions, at wholesale or retail to private or public agencies or~~  
15 ~~establishments of other states or nations.~~ State.

16 (2a) Sell spirituous liquor in closed containers at wholesale or retail, subject to  
17 the laws of other jurisdictions, for delivery outside the State.

18 (3) Transport into or out of the distillery the maximum amount of liquor allowed  
19 under federal law, if the transportation is related to the distilling process.

20 (4) Sell spirituous liquor distilled at the distillery in closed containers to visitors  
21 who tour the distillery for consumption off the premises. Sales under this  
22 subdivision are allowed only in a county where the establishment of a county  
23 or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and  
24 are subject to the time and day restrictions in G.S. 18B-802. Spirituous  
25 liquor sold under this subdivision shall (i) be listed as a code item for sale in  
26 the State, (ii) be sold at the price set by the Commission for the code item  
27 pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle a sticker that  
28 bears the words "North Carolina Distillery Tour Commemorative Spirit" in  
29 addition to any other labeling requirements set by law. Consumers  
30 purchasing spirituous liquor under this subdivision are limited to purchasing,  
31 and the selling distillery is limited to selling to each consumer, no more than  
32 ~~one bottle~~ five bottles of spirituous liquor per 12 month period. The distillery  
33 shall use a commonly adopted standard point of sale system to maintain  
34 searchable electronic records captured at the point of sale, to include the



1 purchaser's name, drivers license number, and date of birth for at least 12  
2 months from the date of purchase. The Commission shall adopt rules  
3 regulating the retail sale of spirituous liquor under this subdivision.

4 (5) Conduct consumer tastings in accordance with G.S. 18B-1114.7.

5 (b) Distilleries for Fuel Alcohol. – Any person in possession of a Federal Operating  
6 Permit pursuant to Title 27, Code of Federal Regulations, Part 19 (April 1, 2010 Edition), shall  
7 obtain a fuel alcohol permit before manufacturing any alcohol. The permit shall entitle the  
8 permittee to perform only those acts allowed by the Federal Operating Permit, and all  
9 conditions of the Federal Operating Permit shall apply to the State permit."

10 **SECTION 1.(b)** G.S. 18B-804 is amended by adding a new subsection to read:

11 "**§ 18B-804. Alcoholic beverage pricing.**

12 (a) Uniform Price of Spirituous Liquor. – The retail price of spirituous liquor sold in  
13 ABC stores and permitted distilleries shall be uniform throughout the State, unless otherwise  
14 provided by the ABC law.

15 (b) Sale Price of Spirituous Liquor. – The sale of spirituous liquor, including antique  
16 spirituous liquor, sold at the uniform State price shall consist of the following components:

17 (1) The distiller's or the antique spirituous liquor seller's price.

18 (2) The freight and bailment charges of the State warehouse as determined by  
19 the Commission.

20 (3) A markup for local boards as determined by the Commission.

21 (4) The tax levied under G.S. 105-113.80(c), which shall be levied on the sum  
22 of subdivisions (1), (2), and (3).

23 (5) An additional markup for local boards equal to three and one-half percent (3  
24 1/2%) of the sum of subdivisions (1), (2), and (3).

25 (6) A bottle charge of one cent (1¢) on each bottle containing 50 milliliters or  
26 less and five cents (5¢) on each bottle containing more than 50 milliliters.

27 (6a) The bailment surcharge.

28 (6b) An additional bottle charge for local boards of one cent (1¢) on each bottle  
29 containing 50 milliliters or less and five cents (5¢) on each bottle containing  
30 more than 50 milliliters.

31 (7) A rounding adjustment, the formula of which may be determined by the  
32 Commission, so that the sale price will be divisible by five.

33 (8) If the spirituous liquor is sold to a mixed beverage permittee for resale in  
34 mixed beverages, a charge of twenty dollars (\$20.00) on each four liters and  
35 a proportional sum on lesser quantities.

36 (9) If the spirituous liquor is sold to a guest room cabinet permittee for resale, a  
37 charge of twenty dollars (\$20.00) on each four liters and a proportional sum  
38 on lesser quantities.

39 (b1) Price of Spirituous Liquor Sold at Distillery. – When the holder of a distillery  
40 permit sells spirituous liquor distilled at the distillery pursuant to G.S. 18B-1105(a)(4), the  
41 retail price of the spirituous liquor shall be the uniform State price set by subsection (a) of this  
42 section. However, the holder of the distillery permit shall not be required to remit the  
43 components of the price set forth by subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of  
44 subsection (b) of this section.

45 (b2) Price of Spirituous Liquor Sold for Delivery Outside the State. – When the holder of  
46 a distillery permit sells spirituous liquor for delivery outside the State pursuant to  
47 G.S. 18B-1105(a)(2a), the retail price of the spirituous liquor shall be the distiller's price.

48 (c) Sale Price of Fortified Wine. – The sale price of fortified wine shall include the tax  
49 levied by G.S. 105-113.80(b), as well as State and local sales taxes.

50 (d) Repealed by Session Laws 1985, c. 59, s. 2."

51 **SECTION 1.(c)** G.S. 18B-800 reads as rewritten:

1 **"§ 18B-800. Sale of alcoholic beverages in ABC stores.**

2 (a) Spirituous Liquor. – Except as provided in ~~Article 10~~ Articles 10 and 11 of this  
3 Chapter, spirituous liquor may be sold only in ABC stores operated by local boards.

4 ...."

5 **SECTION 1.(d)** The Alcoholic Beverage Control Commission shall adopt  
6 temporary rules to amend its rules consistent with this section.

7 **SECTION 1.(e)** This section becomes effective July 1, 2017.

8  
9 **CREATE SPIRITUOUS LIQUOR SPECIAL EVENT PERMIT TO ALLOW**  
10 **DISTILLERIES TO GIVE FREE TASTINGS**

11 **SECTION 2.(a)** G.S. 18B-301 reads as rewritten:

12 **"§ 18B-301. Possession and consumption of fortified wine and spirituous liquor.**

13 ...

14 (e) Incident to Sale. – It shall be lawful to possess fortified wine and spirituous liquor at  
15 any place, such as an ABC store, where possession is a necessary incident to lawful sale.  
16 Consumption at such a place shall be unlawful unless the establishment has a permit  
17 authorizing consumption on the premises as well as sale.

18 (f) Unlawful Possession or Use. – As illustration, but not limitation, of the general  
19 prohibition stated in G.S. 18B-102(a), it shall be unlawful for:

20 (1) Any person to consume fortified wine, spirituous liquor, or mixed beverages  
21 or to offer such beverages to another ~~person~~ person at any of the following  
22 places:

23 a. On the premises of an ABC ~~store, or store.~~

24 b. Upon any property used or occupied by a local ~~board, or board.~~

25 c. On any public road, street, highway, or ~~sidewalk~~ sidewalk, unless a  
26 consumer tasting authorized by G.S. 18B-1114.7 is being conducted.

27 ...."

28 **SECTION 2.(b)** G.S. 18B-902(d) is amended by adding new subdivisions to read:

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

31 (1) On-premises malt beverage permit – \$400.00.

32 (2) Off-premises malt beverage permit – \$400.00.

33 (3) On-premises unfortified wine permit – \$400.00.

34 (4) Off-premises unfortified wine permit – \$400.00.

35 (5) On-premises fortified wine permit – \$400.00.

36 (6) Off-premises fortified wine permit – \$400.00.

37 (7) Brown-bagging permit – \$400.00, unless the application is for a restaurant  
38 seating less than 50, in which case the fee shall be \$200.00.

39 (8) Special occasion permit – \$400.00.

40 (9) Limited special occasion permit – \$50.00.

41 (10) Mixed beverages permit – \$1,000.

42 (11) Culinary permit – \$200.00.

43 (12) Unfortified winery permit – \$300.00.

44 (13) Fortified winery permit – \$300.00.

45 (14) Limited winery permit – \$300.00.

46 (15) Brewery permit – \$300.00.

47 (16) Distillery permit – \$300.00.

48 (17) Fuel alcohol permit – \$100.00.

49 (18) Wine importer permit – \$300.00.

50 (19) Wine wholesaler permit – \$300.00.

51 (20) Malt beverage importer permit – \$300.00.

- 1 (21) Malt beverage wholesaler permit – \$300.00.
- 2 (22) Bottler permit – \$300.00.
- 3 (23) Salesman permit – \$100.00.
- 4 (24) Vendor representative permit – \$50.00.
- 5 (25) Nonresident malt beverage vendor permit – \$100.00.
- 6 (26) Nonresident wine vendor permit – \$100.00.
- 7 (27) Any special one-time permit under G.S. 18B-1002 – \$50.00.
- 8 (28) Winery special event permit – \$200.00.
- 9 (29) Mixed beverages catering permit – \$200.00.
- 10 (30) Guest room cabinet permit – \$1,000.
- 11 (31) Liquor importer/bottler permit – \$500.00.
- 12 (32) Cider and vinegar manufacturer permit – \$200.00.
- 13 (33) Brew on premises permit – \$400.00.
- 14 (34) Wine producer permit – \$300.00.
- 15 (35) Wine tasting permit – \$100.00.
- 16 (36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and
- 17 applicable to wine shipper permit applications submitted on or after that
- 18 date.
- 19 (37) Wine shop permit – \$100.00.
- 20 (38) Winemaking on premises permit – \$400.00.
- 21 (39) Wine shipper packager permit – \$100.00.
- 22 (40) Malt beverage special event permit – \$200.00.
- 23 (41) Malt beverage tasting permit – \$100.00.
- 24 (42) Spirituous liquor tasting permit – \$100.00.
- 25 (43) Antique spirituous liquor permit – \$100.00.
- 26 (44) Spirituous liquor special event permit – \$200.00.
- 27 (45) Special auction permit – \$750.00."

28 **SECTION 2.(c)** Article 11 of Chapter 18B of the General Statutes is amended by  
29 adding a new section to read:

30 **"§ 18B-1114.7. Authorization of spirituous liquor special event permit.**

31 (a) Authorization. – The holder of a supplier representative permit, brokerage  
32 representative permit, or distillery permit issued under G.S. 18B-1105 may obtain a spirituous  
33 liquor special event permit allowing the permittee to give free tastings of its spirituous liquors  
34 at trade shows, conventions, shopping malls, street festivals, holiday festivals, agricultural  
35 festivals, balloon races, local fund-raisers, and other similar events approved by the  
36 Commission.

37 (b) Limitations. – Any consumer tasting is subject to the following limitations:

- 38 (1) The permit holder or the permit holder's authorized agent shall conduct the  
39 consumer tasting and the permit holder shall be solely responsible for any  
40 violations of this Chapter occurring in connection with the consumer tasting.
- 41 (2) The spirituous liquor shall be poured only by either (i) the permit holder  
42 conducting the consumer tasting or (ii) an employee or authorized agent of  
43 the permit holder conducting the consumer tasting who is at least 21 years of  
44 age.
- 45 (3) Each consumer shall be limited to one 0.25 ounce tasting sample of any  
46 product made available for sampling at the consumer tasting, and the total  
47 amount of the tasting samples offered to and consumed by each consumer  
48 shall not exceed 1.0 ounce of spirituous liquor in any calendar day.
- 49 (4) The permit holder shall not offer tasting samples to, or allow consumption of  
50 tasting samples by, any consumer who is visibly intoxicated.

- 1           (5)    The permit holder shall not offer tasting samples to, or allow consumption of  
 2           tasting samples by, any consumer under the legal age for consuming  
 3           spirituous liquor. The person pouring the spirituous liquor shall be  
 4           responsible for verifying the age of the consumer being served by checking  
 5           the identification of the consumer.
- 6           (6)    The permit holder shall not charge a consumer for any tasting sample.
- 7           (7)    A venue allowing tastings shall designate a tasting area within the venue that  
 8           enables the permit holder to ensure that the consumer tasting is being  
 9           conducted in compliance with this section. Consumers shall only be allowed  
 10          to consume tasting samples within the designated tasting area.
- 11          (8)    A consumer tasting shall not be allowed unless the venue is located in a  
 12          jurisdiction that has approved the sale of mixed beverages.
- 13          (9)    The permit holder may provide point-of-sale advertising materials and  
 14          advertising specialties to consumers at the consumer tasting.
- 15          (10)   The permit holder shall maintain for a period of at least one year a record of  
 16          each consumer tasting conducted. The record shall include the date of the  
 17          consumer tasting, the time of the consumer tasting, an identification of the  
 18          venue at which the consumer tasting was held, an identification of the  
 19          spirituous liquor that was provided for tasting at the consumer tasting, and  
 20          the name of any person who poured spirituous liquor at the consumer  
 21          tasting. The permit holder shall allow the ABC Commission to inspect those  
 22          records at any time."

23  
 24   **ALLOW SALE OF SPECIFIED ALCOHOLIC BEVERAGES AT AUCTION BY**  
 25   **LICENSED AUCTIONEERS**

26           **SECTION 3.(a)** G.S. 18B-603(f) reads as rewritten:

27   "**§ 18B-603. Effect of alcoholic beverage elections on issuance of permits.**

28           ...

29           (f)    Permits Not Dependent on Elections. – The Commission may issue the following  
 30   kinds of permits without approval at an election:

- 31           (1)    Special occasion ~~permits;~~permits.
- 32           (2)    Limited special occasion ~~permits;~~permits.
- 33           (3)    Brown-bagging permits for private clubs and congressionally chartered  
 34           veterans ~~organizations;~~organizations.
- 35           (4)    Culinary permits, except as restricted by ~~subdivision (d)(5);~~subdivision  
 36           (d)(5).
- 37           (5)    Special one-time permits issued under ~~G.S. 18B-1002;~~G.S. 18B-1002.
- 38           (6)    All permits listed in ~~G.S. 18B-1100;~~G.S. 18B-1100.
- 39           (7)    The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism  
 40           ABC ~~establishments;~~establishments.
- 41           (8)    The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism  
 42           ~~resorts;~~resorts.
- 43           (9)    The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for historic  
 44           ABC establishments.
- 45           (10)   Special auction permits issued under G.S. 18B-1002.1."

46           **SECTION 3.(b)** G.S. 18B-1002(a)(4) reads as rewritten:

47           (a)    Kinds of Permits. – In addition to the other permits authorized by this Chapter, the  
 48   Commission may issue permits for the following activities:

49           ...

- 50           (4)    A permit may be issued to a collector of ~~wine or wine,~~ decorative decanters  
 51           of spirituous ~~liquor—~~liquor, or antique spirituous liquor authorizing that

1 person to bring into the State, transport, or possess as a collector, a greater  
2 amount of those alcoholic beverages than is otherwise authorized by this  
3 Chapter, or to sell those alcoholic beverages in a manner prescribed by the  
4 Commission."

5 **SECTION 3.(c)** Article 10 of Chapter 18B of the General Statutes is amended by  
6 adding a new section to read:

7 **"§ 18B-1002.1. Special auction permit.**

8 (a) Permit Authorized. – A permit may be issued upon application to an auction firm or  
9 auctioneer licensed by the North Carolina Auctioneers Commission pursuant to Chapter 85B of  
10 the General Statutes to allow the licensed auction firm or auctioneer to sell at auction items  
11 described in G.S. 18B-1002(a)(4). An auction held under this section may receive competing  
12 bids that are in person or by telephone, fax, or online.

13 (b) Conditions of Permit. – A permit issued under this section is valid only for the  
14 auction specified in the permit. Any sales under this permit are subject to the purchase  
15 restrictions in G.S. 18B-303.

16 (c) Administrative Procedure. – Denial or revocation of a permit under this section does  
17 not entitle the applicant or permittee to a hearing under Chapter 150B of the General Statutes."

18 **SECTION 3.(d)** This section becomes effective October 1, 2017.

19  
20 **ALLOW THE SALE OF ALCOHOLIC BEVERAGES BEFORE NOON ON SUNDAYS,**  
21 **SUBJECT TO LOCAL GOVERNMENT APPROVAL**

22 **SECTION 4.(a)** G.S. 18B-1004(c) reads as rewritten:

23 **"§ 18B-1004. Hours for sale and consumption.**

24 ...

25 (c) Sunday Hours. – ~~It~~ Except as authorized pursuant to G.S. 18B-112(b1), 153A-145.7,  
26 or 160A-205.3, it shall be unlawful to sell or consume alcoholic beverages on any licensed  
27 premises from the time at which sale or consumption must cease on Sunday morning until  
28 12:00 Noon on that day."

29 **SECTION 4.(b)** Article 6 of Chapter 153A of the General Statutes is amended by  
30 adding a new section to read:

31 **"§ 153A-145.7. Hours of certain alcohol sales.**

32 In accordance with G.S. 18B-1004(c), a county may adopt an ordinance allowing for the  
33 sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at  
34 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001."

35 **SECTION 4.(c)** Article 8 of Chapter 160A of the General Statutes is amended by  
36 adding a new section to read:

37 **"§ 160A-205.3. Hours of certain alcohol sales.**

38 In accordance with G.S. 18B-1004(c), a city may adopt an ordinance allowing for the sale  
39 of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at 10:00  
40 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001."

41 **SECTION 4.(d)** G.S. 18B-112 is amended by adding a new subsection to read:

42 "(b1) In accordance with G.S. 18B-1004(c), the Eastern Band of Cherokee Indians tribe  
43 may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified  
44 wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed  
45 premises' permit issued under the authority of G.S. 18B-112(d)."

46  
47 **AUTHORIZE SALE OF CROWLERS BY RETAIL PERMITTEES**

48 **SECTION 5.(a)** G.S. 18B-1001 reads as rewritten:

49 **"§ 18B-1001. Kinds of ABC permits; places eligible.**

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

- 1 (1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit  
2 authorizes (i) the retail sale of malt beverages for consumption on the  
3 premises, (ii) the retail sale of malt beverages in the manufacturer's original  
4 container for consumption off the premises, and (iii) the retail sale of malt  
5 beverages in a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container  
6 that is filled or refilled and sealed for consumption off the premises and that  
7 identifies the permittee and the date the container was filled or refilled. It  
8 also authorizes the holder of the permit to ship malt beverages in closed  
9 containers to individual purchasers inside and outside the State. The permit  
10 may be issued for any of the following:
- 11 a. ~~Restaurants;~~Restaurants.
  - 12 b. ~~Hotels;~~Hotels.
  - 13 c. Eating ~~establishments;~~establishments.
  - 14 d. Food ~~businesses;~~businesses.
  - 15 e. Retail ~~businesses;~~businesses.
  - 16 f. Private ~~clubs;~~clubs.
  - 17 g. Convention ~~centers;~~centers.
  - 18 h. Community ~~theatres;~~theatres.
  - 19 i. Breweries as authorized by G.S. 18B-1104(7) and (8).
- 20 (2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage  
21 permit authorizes (i) the retail sale of malt beverages in the manufacturer's  
22 original container for consumption off the premises, (ii) the retail sale of  
23 malt beverages in a ~~cleaned, sanitized, resealable~~ cleaned and sanitized  
24 container that is filled or refilled and sealed for consumption off the  
25 premises and that identifies the permittee and the date the container was  
26 filled or refilled, and (iii) the holder of the permit to ship malt beverages in  
27 closed containers to individual purchasers inside and outside the State. The  
28 permit may be issued for any of the following:
- 29 a. Restaurants.
  - 30 b. Hotels.
  - 31 c. Eating establishments.
  - 32 d. Food businesses.
  - 33 e. Retail businesses.
  - 34 f. The holder of a brewing, distillation, and fermentation course  
35 authorization under G.S. 18B-1114.6. A school obtaining a permit  
36 under this subdivision is authorized to sell malt beverages  
37 manufactured during its brewing, distillation, and fermentation  
38 program at one noncampus location in a county where the permittee  
39 holds and offers classes on a regular full-time basis in a facility  
40 owned by the permittee.
- 41 (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine  
42 permit authorizes (i) the retail sale of unfortified wine for consumption on  
43 the premises, either alone or mixed with other beverages, (ii) the retail sale  
44 of unfortified wine in the manufacturer's original container for consumption  
45 off the premises, and (iii) the retail sale of unfortified wine dispensed from a  
46 tap connected to a pressurized container utilizing carbon dioxide or similar  
47 gas into a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container that  
48 is filled or refilled and sealed for consumption off the premises and that  
49 identifies the permittee and the date the container was filled or refilled. The  
50 permit also authorizes the permittee to transfer unfortified wine, not more  
51 than four times per calendar year, to another on-premises unfortified wine

1 permittee that is under common ownership or control as the transferor.  
2 Except as authorized by this subdivision, transfers of wine by on-premises  
3 unfortified wine permittees, purchases of wine by a retail permittee from  
4 another retail permittee for the purpose of resale, and sale of wine by a retail  
5 permittee to another retail permittee for the purpose of resale are unlawful.  
6 In addition, a particular brand of wine may be transferred only if both the  
7 transferor and transferee are located within the territory designated between  
8 the winery and the wholesaler on file with the Commission. Prior to or  
9 contemporaneous with any such transfer, the transferor shall notify each  
10 wholesaler who distributes the transferred product of the transfer. The notice  
11 shall be in writing or verifiable electronic format and shall identify the  
12 transferor and transferee, the date of the transfer, quantity, and items  
13 transferred. The holder of the permit is authorized to ship unfortified wine in  
14 closed containers to individual purchasers inside and outside the State.  
15 Orders received by a winery by telephone, Internet, mail, facsimile, or other  
16 off-premises means of communication shall be shipped pursuant to a wine  
17 shipper permit and not pursuant to this subdivision. The permit may be  
18 issued for any of the following:

- 19 a. ~~Restaurants;~~Restaurants.
- 20 b. ~~Hotels;~~Hotels.
- 21 c. ~~Eating establishments;~~Eating establishments.
- 22 d. ~~Private clubs;~~Private clubs.
- 23 e. ~~Convention centers;~~Convention centers.
- 24 f. ~~Cooking schools;~~Cooking schools.
- 25 g. ~~Community theatres;~~Community theatres.
- 26 h. ~~Wineries;~~Wineries.
- 27 i. Wine producers.

- 28 (4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine  
29 permit authorizes (i) the retail sale of unfortified wine in the manufacturer's  
30 original container for consumption off the premises, (ii) the retail sale of  
31 unfortified wine dispensed from a tap connected to a pressurized container  
32 utilizing carbon dioxide or similar gas into a ~~cleaned, sanitized, resealable~~  
33 cleaned and sanitized container that is filled or refilled and sealed for  
34 consumption off the premises and that identifies the permittee and the date  
35 the container was filled or refilled, and (iii) the holder of the permit to ship  
36 unfortified wine in closed containers to individual purchasers inside and  
37 outside the State. The permit may be issued for retail businesses. The permit  
38 also authorizes the permittee to transfer unfortified wine, not more than four  
39 times per calendar year, to another off-premises unfortified wine permittee  
40 that is under common ownership or control as the transferor. Except as  
41 authorized by this subdivision, transfers of wine by off-premises unfortified  
42 wine permittees, purchases of wine by a retail permittee from another retail  
43 permittee for the purpose of resale, and sale of wine by a retail permittee to  
44 another retail permittee for the purpose of resale are unlawful. In addition, a  
45 particular brand of wine may be transferred only if both the transferor and  
46 transferee are located within the territory designated between the winery and  
47 the wholesaler on file with the Commission. Prior to or contemporaneous  
48 with any such transfer, the transferor shall notify each wholesaler who  
49 distributes the transferred product of the transfer. The notice shall be in  
50 writing or verifiable electronic format and shall identify the transferor and  
51 transferee, the date of the transfer, quantity, and items transferred. The



1 permit may also be issued to the holder of a viticulture/enology course  
 2 authorization under G.S. 18B-1114.4. A school obtaining a permit under this  
 3 subdivision is authorized to sell wines manufactured during its  
 4 viticulture/enology program at one non-campus location in a county where  
 5 the permittee holds and offers classes on a regular full-time basis in a facility  
 6 owned by the permittee. The permit may also be issued for a winery or a  
 7 wine producer for sale of its own unfortified wine during hours when the  
 8 winery or wine producer's premises is open to the public, subject to any local  
 9 ordinance adopted pursuant to G.S. 18B-1004(d) concerning hours for the  
 10 retail sale of unfortified wine. A winery obtaining a permit under this  
 11 subdivision is authorized to sell wine manufactured by the winery at one  
 12 additional location in the county under the same conditions specified in  
 13 G.S. 18B-1101(5) for the sale of wine at the winery; provided, however, that  
 14 no other alcohol sales shall be authorized at the additional location. Orders  
 15 received by a winery by telephone, Internet, mail, facsimile, or other  
 16 off-premises means of communication shall be shipped pursuant to a wine  
 17 shipper permit and not pursuant to this subdivision.

18 ...

- 19 (16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt  
 20 beverages, unfortified wine, and fortified wine in the manufacturer's original  
 21 container for consumption off the premises, (ii) the retail sale of malt  
 22 beverages or unfortified wine dispensed from a tap connected to a  
 23 pressurized container utilizing carbon dioxide or similar gas in a ~~cleaned,~~  
 24 ~~sanitized, resealable~~ cleaned and sanitized container that is filled or refilled  
 25 and sealed for consumption off the premises and that identifies the permittee  
 26 and the date the container was filled or refilled, and (iii) wine tastings on the  
 27 premises conducted and supervised by the permittee in accordance with  
 28 subdivision (15) of this section. It also authorizes the holder of the permit to  
 29 ship malt beverages, unfortified wine, and fortified wine in closed containers  
 30 to individual purchasers inside and outside the State. The permit may be  
 31 issued for retail businesses whose primary purpose is selling malt beverages  
 32 and wine for consumption off the premises and regularly and customarily  
 33 educating consumers through tastings, classes, and seminars about the  
 34 selection, serving, and storing of wine. The holder of the permit is  
 35 authorized to sell unfortified wine for consumption on the premises,  
 36 provided that the sale of wine for consumption on the premises does not  
 37 exceed forty percent (40%) of the establishment's total sales for any 30-day  
 38 period. The holder of a wine-tasting permit not engaged in the preparation or  
 39 sale of food on the premises is not subject to Part 6 of Article 8 of Chapter  
 40 130A of the General Statutes.

41 ...."

42 **SECTION 5.(b)** The Alcoholic Beverage Control (ABC) Commission shall adopt  
 43 rules to implement the provisions of this section by no later than 120 days after this act  
 44 becomes law. The ABC Commission may adopt temporary rules to comply with the deadline  
 45 set in this subsection. Any temporary rules adopted in accordance with this subsection shall  
 46 remain in effect until permanent rules that replace the temporary rules become effective.

47  
 48 **AUTHORIZE OFF-SITE STORAGE LOCATION FOR BREWERIES, WINERIES,**  
 49 **AND DISTILLERIES**

50 **SECTION 6.** Article 11 of Chapter 18B of the General Statutes is amended by  
 51 adding a new section to read:

1 **"§ 18B-1120. Noncontiguous storage locations.**

2 A brewery, winery, or distillery may store any alcoholic beverages it manufactures pursuant  
3 to a permit issued under this Article at a noncontiguous storage location approved by the  
4 Alcohol and Tobacco Tax and Trade Bureau. The permittee must notify the Commission of any  
5 storage location used pursuant to this section. Any storage location used pursuant to this section  
6 shall be considered part of the premises of the brewery, winery, or distillery manufacturing the  
7 alcoholic beverages."

8  
9 **AUTHORIZE SALE OF UNFORTIFIED WINE ON PREMISES BY RETAIL**  
10 **BUSINESSES**

11 **SECTION 7.** G.S. 18B-1001(3), as amended by Section 5 of this act, reads as  
12 rewritten:

13 "(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine  
14 permit authorizes (i) the retail sale of unfortified wine for consumption on  
15 the premises, either alone or mixed with other beverages, (ii) the retail sale  
16 of unfortified wine in the manufacturer's original container for consumption  
17 off the premises, and (iii) the retail sale of unfortified wine dispensed from a  
18 tap connected to a pressurized container utilizing carbon dioxide or similar  
19 gas into a cleaned and sanitized container that is filled or refilled and sealed  
20 for consumption off the premises and that identifies the permittee and the  
21 date the container was filled or refilled. The permit also authorizes the  
22 permittee to transfer unfortified wine, not more than four times per calendar  
23 year, to another on-premises unfortified wine permittee that is under  
24 common ownership or control as the transferor. Except as authorized by this  
25 subdivision, transfers of wine by on-premises unfortified wine permittees,  
26 purchases of wine by a retail permittee from another retail permittee for the  
27 purpose of resale, and sale of wine by a retail permittee to another retail  
28 permittee for the purpose of resale are unlawful. In addition, a particular  
29 brand of wine may be transferred only if both the transferor and transferee  
30 are located within the territory designated between the winery and the  
31 wholesaler on file with the Commission. Prior to or contemporaneous with  
32 any such transfer, the transferor shall notify each wholesaler who distributes  
33 the transferred product of the transfer. The notice shall be in writing or  
34 verifiable electronic format and shall identify the transferor and transferee,  
35 the date of the transfer, quantity, and items transferred. The holder of the  
36 permit is authorized to ship unfortified wine in closed containers to  
37 individual purchasers inside and outside the State. Orders received by a  
38 winery by telephone, Internet, mail, facsimile, or other off-premises means  
39 of communication shall be shipped pursuant to a wine shipper permit and not  
40 pursuant to this subdivision. The permit may be issued for any of the  
41 following:

42 ...  
43 j. Retail businesses."

44  
45 **AUTHORIZE TASTINGS DURING BREWERY TOURS**

46 **SECTION 8.** G.S. 18B-1104(6) reads as rewritten:

47 **"§ 18B-1104. Authorization of brewery permit.**

48 The holder of a brewery permit may:

49 ...  
50 (6) Give its products to its employees and guests ~~customers, visitors, and~~  
51 employees for consumption on its premises. Nothing in this subdivision shall

1 be construed as excluding customers and visitors at the brewery as part of a  
2 paid or complimentary tour of the brewery."  
3

4 **AUTHORIZE CERTAIN PERSONS TO SAMPLE ALCOHOLIC BEVERAGES FOR**  
5 **PURPOSES OF SENSORY ANALYSIS, QUALITY CONTROL, OR EDUCATION**

6 **SECTION 9.** Article 11 of Chapter 18B of the General Statutes is amended by  
7 adding a new section to read:

8 **"§ 18B-1121. Authority to sample for sensory analysis, quality control, or educational**  
9 **purposes.**

10 Except as otherwise prohibited under Article 3 of this Chapter, a commercial permittee  
11 licensed under this Article, or its agent or employee, may consume samples of alcoholic  
12 beverages it is licensed to sell, free of charge, on its premises for purposes of sensory analysis,  
13 quality control, or education."  
14

15 **AMEND HOMEBREWING LAWS**

16 **SECTION 10.** G.S. 18B-306 reads as rewritten:

17 **"§ 18B-306. Making wines and malt beverages for private use.**

18 (a) Authority. – An individual may make, possess, and transport native wines and malt  
19 beverages for his-the individual's own use and for use, the use of his-the individual's family and  
20 guests. Native wines shall be made principally from honey, grapes, or other fruit or grain grown  
21 in this State, or from wine kits containing honey, grapes, or other fruit or grain concentrates,  
22 and shall have only that alcoholic content produced by natural fermentation. Malt beverages  
23 may be made by use of malt beverage kits containing grain extracts or concentrates-guests, or  
24 the use at organized affairs, exhibitions, or competitions. For purposes of this section, the term  
25 "organized affairs, exhibitions, or competitions" includes homemaker's contests, tastings, and  
26 judgings.

27 (b) Selling Prohibited. – Wines and malt beverages made pursuant to this section may  
28 not be sold or offered for sale.

29 (c) Kits. – Wine kits and malt beverage kits may be sold in this State.

30 (d) Permit. – No ABC permit is required to make wines or malt beverages pursuant to  
31 this section."  
32

33 **CLARIFY LAW GOVERNING RELATIONSHIP BETWEEN BREWERIES AND**  
34 **AFFILIATED RETAILERS**

35 **SECTION 11.** G.S. 18B-1116(a) reads as rewritten:

36 "(a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of  
37 any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or  
38 indirectly to:

- 39 (1) Require that an alcoholic beverage retailer purchase any alcoholic beverages  
40 from that person to the full or partial exclusion of any other alcoholic  
41 beverages offered for sale by other persons in this State; or  
42 (2) Have any direct or indirect financial interest in the business of any alcoholic  
43 beverage retailer in this State or in the premises where the business of any  
44 alcoholic beverage retailer in this State is conducted; or  
45 (3) Lend or give to any alcoholic beverage retailer in this State or his employee  
46 or to the owner of the premises where the business of any alcoholic beverage  
47 retailer in this State is conducted, any money, service, equipment, furniture,  
48 fixtures or any other thing of value.

49 A brewery qualifying under G.S. 18B-1104(8) to act as a wholesaler or retailer of its own  
50 malt beverages-G.S. 18B-1104(7) or (8) is not subject to the provisions of this subsection  
51 section concerning financial interests in, and lending or giving things of value to, a wholesaler

1 or retailer with respect to the brewery's transactions with the retail business on its  
2 ~~premises.~~premises or other retail locations allowed under G.S. 18B-1104(8). The brewery is  
3 subject to the provisions of this subsection, however, with respect to its transactions with all  
4 other wholesalers and retailers."  
5

## 6 **AUTHORIZE BREWERY TAPROOMS TO SELL OTHER ALCOHOLIC** 7 **BEVERAGES UPON RECEIVING THE APPROPRIATE PERMIT**

8 **SECTION 12.** G.S. 18B-1104(7) reads as rewritten:

9 "(7) In an area where the sale of any type of alcoholic beverage is authorized by  
10 law, and upon receiving the appropriate permit under G.S. 18B-1001, sell  
11 ~~the~~at the brewery, and any additional retail location authorized under  
12 subdivision (8) of this section, any or all of the following:

- 13 a. The brewery's malt beverages or malt beverages that have been  
14 approved by the Commission for sale in North Carolina.  
15 b. Malt beverages manufactured by the permittee in some other state  
16 that have been approved by the Commission for sale in North  
17 Carolina only at the brewery upon receiving a permit under G.S.  
18 18B-1001(1).Carolina.  
19 c. Any other alcoholic beverages approved by the Commission for sale  
20 in North Carolina, if sale of the alcoholic beverage is otherwise  
21 authorized in that area."  
22

## 23 **AUTHORIZE BREWERIES WITH PRODUCTION FACILITIES IN OTHER STATES** 24 **TO DISTRIBUTE TO WHOLESALERS**

25 **SECTION 13.** G.S. 18B-1104(4) reads as rewritten:

26 "(4) Receive malt beverages manufactured by the permittee in some other state  
27 for transshipment to (i) dealers in other states.~~states~~ or (ii) wholesalers  
28 licensed under this Chapter as authorized by the ABC laws."  
29

## 30 **AUTHORIZE FARM BREWERIES**

31 **SECTION 14.** G.S. 18B-1104 is amended by adding a new subdivision to read:

32 "(7a) In an area where the sale of malt beverages has not been authorized, a  
33 brewery that produces agricultural products, including barley, other grains,  
34 hops, or fruit, used by the brewery in the manufacture of malt beverages may  
35 sell the malt beverages owned by the brewery and approved by the  
36 Commission for sale in North Carolina at the brewery for on- or off-premise  
37 consumption upon (i) obtaining the appropriate permit under G.S. 18B-1001  
38 and (ii) receiving approval from the governing body of the city where the  
39 brewery is located or, if the brewery is not located in a city, the governing  
40 body of the county where the brewery is located. Approval may be granted  
41 only pursuant to a resolution of the governing body adopted at a regular  
42 meeting. Before adopting a resolution approving the sale of malt beverages  
43 under this subdivision, a governing board shall hold a public hearing. A  
44 notice of the public hearing shall be given once a week for two successive  
45 calendar weeks in a newspaper having general circulation in the area. The  
46 notice of the public hearing shall be published the first time not less than 10  
47 days nor more than 25 days before the date fixed for the hearing. In  
48 computing such period, the day of publication is not to be included but the  
49 day of the hearing shall be included."  
50

1 **AMEND LAW GOVERNING BREWERY SALES AT ADDITIONAL RETAIL**  
2 **LOCATIONS**

3 **SECTION 15.** G.S. 18B-1104 reads as rewritten:

4 **"§ 18B-1104. Authorization of brewery permit.**

5 The holder of a brewery permit may:

6 ...

- 7 (8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at  
8 wholesale only malt beverages manufactured by the brewery. The  
9 authorization of this subdivision applies to a brewery that sells, to consumers  
10 at the brewery, to wholesalers, to retailers, and to exporters, fewer than  
11 25,000 barrels, as defined in G.S. 81A-9, of malt beverages produced by it  
12 per year. A brewery not exceeding the sales quantity limitations in this  
13 subdivision may also sell the malt beverages manufactured by the ~~brewery~~  
14 brewery, and malt beverages produced under subdivision (6a) of this section,  
15 at not more than three other locations in the State, where the sale is legal,  
16 upon obtaining the appropriate permits under G.S. 18B-1001. A brewery  
17 operating any additional retail location pursuant to this subdivision under a  
18 different trade name than that used at the brewery shall also offer for sale at  
19 that location a reasonable selection of competitive malt beverage products. A  
20 sale at any additional retail location under this subdivision shall not be  
21 considered a wholesale sale for the purposes of Article 13 of this Chapter.

22 A sale or gift under subdivision (5) or (6) shall not be considered a retail or wholesale sale  
23 under the ABC laws."

24  
25 **TAX COMPLIANCE AND REPORTS**

26 **SECTION 16.(a)** G.S. 18B-1104, as amended by this act, reads as rewritten:

27 **"§ 18B-1104. Authorization of brewery permit.**

28 (a) Authorized Acts. – The holder of a brewery permit may:

29 ...

- 30 (6a) Receive, in closed containers, and sell at the brewery, malt beverages  
31 produced inside or outside North Carolina under contract with a contract  
32 brewery. The contract brewery that manufactures the malt beverages shall be  
33 responsible for all aspects associated with manufacturing the product,  
34 including maintaining appropriate records, obtaining label approval in its  
35 own name, and remitting the appropriate taxes. The contract malt beverages  
36 may be sold also at affiliated retail outlets of the brewery physically located  
37 on or adjacent to the brewery. Any malt beverages received from a contract  
38 brewery under this subdivision shall be made available for sale by the  
39 brewery to wholesalers for distribution to retailers, without discrimination,  
40 in the same manner as if the malt beverages were being imported by the  
41 brewery. Contract brewing is authorized between affiliated breweries, but  
42 shall not be used as a means to allocate production quantities between  
43 affiliated breweries to obtain a malt beverage wholesaler permit pursuant to  
44 ~~G.S. 18B-1104(8) subdivision (8) of this subsection~~ where either brewery  
45 would not otherwise qualify for a permit, and the Commission shall have no  
46 authority to grant an exemption to this requirement pursuant to  
47 G.S. 18B-1116(b).
- 48 (7) In an area where the sale of any type of alcoholic beverage is authorized by  
49 law, and upon receiving the appropriate permit under G.S. 18B-1001, sell at  
50 the brewery, and any additional retail location authorized under subdivision  
51 (8) of this ~~section~~subsection, any or all of the following:

- 1 a. The brewery's malt beverages that have been approved by the  
2 Commission for sale in North Carolina.  
3 b. Malt beverages manufactured by the permittee in some other state  
4 that have been approved by the Commission for sale in North  
5 Carolina.  
6 c. Any other alcoholic beverages approved by the Commission for sale  
7 in North Carolina, if sale of the alcoholic beverage is otherwise  
8 authorized in that area.

9 ...

- 10 (8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at  
11 wholesale only malt beverages manufactured by the brewery. The  
12 authorization of this subdivision applies to a brewery that sells, to consumers  
13 at the brewery, to wholesalers, to retailers, and to exporters, fewer than  
14 25,000 barrels, as defined in G.S. 81A-9, barrels of malt beverages produced  
15 by it per year. A brewery not exceeding the sales quantity limitations in this  
16 subdivision may also sell the malt beverages manufactured by the brewery,  
17 and malt beverages produced under subdivision (6a) of this  
18 ~~section, subsection,~~ at not more than three other locations in the State, where  
19 the sale is legal, upon obtaining the appropriate permits under  
20 G.S. 18B-1001. A brewery operating any additional retail location pursuant  
21 to this subdivision under a different trade name than that used at the brewery  
22 shall also offer for sale at that location a reasonable selection of competitive  
23 malt beverage products. A sale at any additional retail location under this  
24 subdivision shall not be considered a wholesale sale for the purposes of  
25 Article 13 of this Chapter.

26 (b) Sales or Gifts. – A sale or gift under subdivision (5) or (6) of subsection (a) of this  
27 section shall not be considered a retail or wholesale sale under the ABC laws.

28 (c) Tax Compliance. – By October 1 of each year, the Commission shall confirm that  
29 the holder of a brewery permit is in compliance with G.S. 18B-900(a)(8). The provisions of  
30 G.S. 18B-900(f) apply to the confirmation required under this subsection, except that the  
31 Commission may suspend a person's brewery permit until the Commission receives notice from  
32 the Department of Revenue that the person is in compliance.

33 (d) Sales Report Upon Commission Request. – Within 60 days of a request by the  
34 Commission, a holder of a brewery permit who obtains a malt beverage wholesaler permit  
35 pursuant to subdivision (8) of subsection (a) of this section shall provide a sales report to the  
36 Commission. The report shall list separately all of the following for the 12-month period  
37 preceding the date of the request:

- 38 (1) The number of barrels of malt beverages sold by the permit holder that were  
39 produced by the permit holder.  
40 (2) The quantity and dollar amount of malt beverages sold by the permit holder  
41 under subdivision (7) of subsection (a) of this section.  
42 (3) The quantity and dollar amount of malt beverages sold on-premises under  
43 subdivision (8) of subsection (a) of this section.  
44 (4) The quantity and dollar amount of malt beverages sold off-premises under  
45 subdivision (8) of subsection (a) of this section.  
46 (5) The quantity and dollar amount of malt beverages sold under  
47 G.S. 18B-1114.5.  
48 (6) The quantity and dollar amount of malt beverages destroyed, spoiled, or  
49 otherwise rendered unsalable.

50 The Commission shall not request more than one sales report from a brewery within a  
51 12-month period. The Commission shall keep all information provided pursuant to this

1 subsection confidential except as required by law or requested by the Department of Revenue.  
2 The information shall not be a public record under Chapter 132 of the General Statutes.

3 (e) Definition. – For purposes of this section, the term "barrels" is as defined in  
4 G.S. 81A-9."

5 **SECTION 16.(b)** G.S. 18B-1105 is amended by adding a new subsection to read:

6 "(c) Tax Compliance. – By October 1 of each year, the Commission shall confirm the  
7 holder of a distillery permit is in compliance with G.S. 18B-900(a)(8). The provisions of  
8 G.S. 18B-900(f) apply to the confirmation required under this subsection, except that the  
9 Commission may suspend a person's distillery permit until the Commission receives notice  
10 from the Department of Revenue that the person is in compliance."

11 **SECTION 16.(c)** G.S. 18B-903(c1) reads as rewritten:

12 "(c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section  
13 shall be construed to limit alternating brewery proprietorships in which the holder of a brewery  
14 permit leases or otherwise makes available its facility to another holder of a brewery permit. In  
15 this arrangement, the tenant brewery shall maintain title to the malt beverages at all states of the  
16 brewing process and shall be responsible for all aspects associated with manufacturing the  
17 product, including maintaining appropriate records, obtaining label approval in its own name,  
18 and remitting the appropriate taxes. Alternating brewery proprietorships are authorized between  
19 affiliated breweries, but shall not be used as a means to allocate production quantities between  
20 affiliated breweries to obtain a malt beverage wholesaler permit pursuant to ~~G.S. 18B-1104(8)~~  
21 G.S. 18B-1104(a)(8) where either brewery would not otherwise qualify for a permit, and the  
22 Commission shall have no authority to grant an exemption to this requirement pursuant to  
23 G.S. 18B-1116(b)."

24 **SECTION 16.(d)** G.S. 18B-1001(1)i. reads as rewritten:

25 "i. Breweries as authorized by ~~G.S. 18B-1104(7) and (8)~~subdivisions  
26 (7) and (8) of G.S. 18B-1104(a)."

27 **SECTION 16.(e)** G.S. 18B-1114.5(a) reads as rewritten:

28 "(a) Authorization. – The holder of a brewery permit, a malt beverages importer permit,  
29 a brewing, distillation, and fermentation course authorization, or a nonresident malt beverage  
30 vendor permit may obtain a malt beverage special event permit allowing the permittee to give  
31 free tastings of its malt beverages and to sell its malt beverages by the glass or in closed  
32 containers at trade shows, conventions, shopping malls, malt beverage festivals, street festivals,  
33 holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar  
34 events approved by the Commission. Except for a brewery operating under the provisions of  
35 ~~G.S. 18B-1104(8)~~, G.S. 18B-1104(a)(8), all malt beverages sampled or sold pursuant to this  
36 section must be purchased from a licensed malt beverages wholesaler."

37 **SECTION 16.(f)** G.S. 18B-1116(a), as amended by this act, reads as rewritten:

38 **"§ 18B-1116. Exclusive outlets prohibited.**

39 (a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of  
40 any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or  
41 indirectly to:

42 ...

43 A brewery qualifying under ~~G.S. 18B-1104(7) or (8)~~subdivision (7) or (8) of  
44 G.S. 18B-1104(a) is not subject to the provisions of this section concerning financial interests  
45 in, and lending or giving things of value to, a wholesaler or retailer with respect to the  
46 brewery's transactions with the retail business on its premises or other retail locations allowed  
47 under ~~G.S. 18B-1104(8)~~G.S. 18B-1104(a)(8). The brewery is subject to the provisions of this  
48 subsection, however, with respect to its transactions with all other wholesalers and retailers."

49 **SECTION 16.(g)** G.S. 18B-1305(a1) reads as rewritten:

50 "(a1) Termination by a Small Brewery. – A brewery's authorization to distribute its own  
51 malt beverage products pursuant to ~~G.S. 18B-1104(8)~~G.S. 18B-1104(a)(8) shall revert back to

1 the brewery, in the absence of good cause, following the fifth business day after confirmed  
2 receipt of written notice of such reversion by the brewery to the wholesaler. The brewery shall  
3 pay the wholesaler fair market value for the distribution rights for the affected brand. For  
4 purposes of this subsection, "fair market value" means the highest dollar amount at which a  
5 seller would be willing to sell and a buyer willing to buy at the time the self-distribution rights  
6 revert back to the brewery, after each party has been provided all information relevant to the  
7 transaction."  
8

## 9 **SIMPLIFY LOCAL LICENSING APPLICATIONS**

10 **SECTION 17.** G.S. 105-113.70 reads as rewritten:

### 11 **"§ 105-113.70. Issuance, duration, transfer of license.**

12 (a) Issuance, Qualifications. – Each person who receives an ABC permit shall obtain  
13 the corresponding local license, if any, under this Article. All local licenses are issued by the  
14 city or county where the establishment for which the license is sought is located. ~~The~~  
15 ~~information required to be provided and the qualifications for a local license are the same as the~~  
16 ~~information and qualifications required for the corresponding ABC permit. Upon proper~~  
17 ~~application and payment of the prescribed tax, issuance of a local license is mandatory if the~~  
18 ~~applicant holds the corresponding ABC permit. No documentation shall be required of the~~  
19 applicant except as provided in this section. Issuance of a local license is mandatory if the  
20 applicant holds the corresponding ABC permit and provides all of the following: (i) a copy of  
21 the most recently completed State application form for an ABC permit exclusive of any  
22 attachments, (ii) the ABC permit for visual inspection, and (iii) payment of the prescribed tax.  
23 No local license may be issued under this Article until the applicant has received from the ABC  
24 Commission the applicable permit for that activity, and no county license may be issued for an  
25 establishment located in a city in that county until the applicant has received from the city the  
26 applicable license for that activity.

27 (b) Duration. – All licenses issued under this section are annual licenses for the period  
28 from May 1 to April 30.

29 (c) Transfer. – A license may not be transferred from one person to another or from one  
30 location to another.

31 (d) License Exclusive. – A local government may not require a license for activities  
32 related to the manufacture or sale of alcoholic beverages other than the licenses stated in this  
33 Article."  
34

## 35 **CLARIFY WINERY SPECIAL EVENT LOCATIONS**

36 **SECTION 18.** G.S. 18B-1114.1 reads as rewritten:

### 37 **"§ 18B-1114.1. Authorization of winery special event permit.**

38 (a) Authorization. – The holder of an unfortified winery permit, a limited winery  
39 permit, a viticulture/enology course authorization, or a wine producer permit may obtain a  
40 winery special permit allowing the winery or wine producer to give free tastings of its wine,  
41 and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping  
42 malls, wine festivals, street festivals, holiday festivals, agricultural festivals, balloon races,  
43 local fund-raisers, farmers markets, and other similar events approved by the Commission.

44 (b) Limitation. – A winery special event permit is valid only in a jurisdiction that has  
45 approved the establishment of ABC stores or has approved the sale of unfortified wine."  
46

## 47 **RULES**

48 **SECTION 19.(a)** Except as otherwise provided, the Alcoholic Beverage Control  
49 (ABC) Commission shall adopt temporary rules to implement the provisions of this act.  
50 Temporary rules adopted in accordance with this section shall remain in effect until permanent  
51 rules that replace the temporary rules become effective.



1           **SECTION 19.(b)** Any rule or policy adopted by the ABC Commission that does  
2 not comply with the provisions of this act shall be null, void, and without effect.

3  
4 **EFFECT OF HEADINGS**

5           **SECTION 20.** The headings to the sections of this act are a convenience to the  
6 reader and are for reference only. The headings do not expand, limit, or define the text of this  
7 act.

8  
9 **EFFECTIVE DATE**

10           **SECTION 21.** Except as otherwise provided, this act is effective when it becomes  
11 law.