

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 135
HOUSE BILL 660

AN ACT TO AUTHORIZE THE ABC COMMISSION TO CLOSE AN INSOLVENT
ABC SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. G.S. 18B-801 is amended by adding a new subsection to read:

"(d) Insolvent ABC System. If an ABC system is insolvent, the local board may apply to the Commission for an order to close the system. Upon receipt of an application, or upon its own motion, the Commission shall investigate the system, and if it finds that further operation of the ABC stores will not be profitable, it may order the system closed. If the Commission orders a local system to close, the Commission may:

- (1) After consultation with the local board, its creditors, and other interested parties, schedule a phase out of the system's business activities;
- (2) Represent the local board in negotiations with creditors and other interested parties;
- (3) Require an accounting or auditing of the local system;
- (4) Take possession or arrange for the disposition of any liquor for which the local board has not paid;
- (5) Apply to the Superior Court to be appointed a receiver for the local board with all powers and duties of a receiver for a corporation under Article 38 of Chapter 1 of the General Statutes, except that the Commission shall not be required to post the bond required by G.S. 1-504; or
- (6) Take any other reasonable steps to promote an orderly closing of the system."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 4th day of May,

1987.