

## Article 9.

### Issuance of Permits.

#### **§ 18B-900. Qualifications for permit.**

(a) Requirements. – To be eligible to receive and to hold an ABC permit, a person must satisfy all of the following requirements:

- (1) Be at least 21 years old.
- (2) Be a resident of North Carolina, unless any of the following apply:
  - a. The person is an officer, director, or stockholder of a corporate applicant or permittee and is not a manager or otherwise responsible for the day-to-day operation of the business.
  - b. The person has executed a power of attorney designating a qualified resident of this State to serve as attorney in fact for the purposes of receiving service of process and managing the business for which permits are sought.
  - c. The person is applying for a nonresident malt beverage vendor permit, a nonresident wine vendor permit, a nonresident spirituous liquor vendor permit, or a vendor representative permit.
- (3) Not have been convicted of a felony within three years, and, if convicted of a felony before then, have had his or her citizenship restored.
- (4) Not have been convicted of an alcoholic beverage offense within two years.
- (5) Not have been convicted of a misdemeanor controlled substance offense within two years.
- (6) Not have had an alcoholic beverage permit revoked within three years, except where the revocation was based solely on a permittee's failure to pay the annual registration and inspection fee required in G.S. 18B-903(b1).
- (7) Not have, whether as an individual or as an officer, director, shareholder or manager of a corporate permittee, an unsatisfied outstanding final judgment that was entered against him or her in an action under Article 1A of this Chapter.
- (8) Be current in filing all applicable tax returns to the State and in payment of all taxes, interest, and penalties that are collectible under G.S. 105-241.22. This subdivision does not apply to the following ABC permits:
  - a. Special occasion permit under G.S. 18B-1001(8).
  - b. Limited special occasion permit under G.S. 18B-1001(9).
  - c. Special one-time permit under G.S. 18B-1002.
  - d. Salesman permit under G.S. 18B-1111.

To avoid undue hardship, however, the Commission may decline to take action under G.S. 18B-104 against a permittee who is in violation of subdivisions (3), (4), or (5) of this subsection.

(b) Definition of Conviction. – A person has been "convicted" for the purposes of subsection (a) of this section when the person has been found guilty, or has entered a plea of guilty or nolo contendere, and judgment has been entered. A felony conviction in another jurisdiction disqualifies a person from being eligible to receive or hold an ABC permit if the conduct would also constitute a felony in North Carolina. A conviction of an alcoholic beverage offense or misdemeanor drug offense in another jurisdiction disqualifies a person from being eligible to receive or hold an ABC permit if the conduct would constitute an offense in North Carolina, unless the Commission determines that under North Carolina procedure judgment would not have been entered under the same circumstances. Revocation of a permit in another

jurisdiction disqualifies a person if the conduct would be grounds for revocation in North Carolina.

(c) Who Must Qualify; Exceptions. – For an ABC permit to be issued to and held for a business, each of the following persons associated with that business must qualify under subsection (a) of this section:

- (1) The owner of a sole proprietorship.
- (2) Each member of a firm, association, or general partnership.
- (2a) Each general partner in a limited partnership.
- (2b) Each manager and any member with a twenty-five percent (25%) or greater interest in a limited liability company.
- (3) Each officer, director, and owner of twenty-five percent (25%) or more of the stock of a corporation except that the requirement of subdivision (a)(1) does not apply to the officer, director, or stockholder unless he or she is a manager or is otherwise responsible for the day-to-day operation of the business.
- (4) The manager of an establishment operated by a corporation.
- (5) Any manager who has been empowered as attorney-in-fact for a nonresident individual or partnership.
- (6) Any manager or person otherwise responsible for the day-to-day operation of the business, if none of the persons listed in subdivisions (1) through (5) of this subsection is a manager or person otherwise responsible for the day-to-day operation of the business.

(d) Manager of Off-Premises Establishment. – Although the manager of an establishment operated by a corporation and holding off-premises permits for malt beverages, unfortified wine, or fortified wine is not otherwise required to meet the requirements of this section, the manager must be at least 19 years old and must meet the requirements of subdivisions (3), (4), (5) and (6) of subsection (a) of this section.

(e) Convention Centers. – With the approval of the Commission, the manager of a convention center may contract with another person to provide food and beverages at conventions and banquets at the convention center, and that person may engage in the activities authorized by the convention center's permit, under conditions set by the Commission. The person with whom the convention center contracts must meet the qualifications of this section.

(f) Procedure to Confirm State Tax Compliance. – Upon request of the Commission, the Department of Revenue must provide information to the Commission to confirm a person's compliance with subdivision (a)(8) of this section. If the Department of Revenue notifies the Commission that a person is not in compliance, then the Commission shall not issue or renew the person's permit until the Commission receives notice from the Department of Revenue that the person is in compliance. The requirement to pay all taxes, interest, and penalties may be satisfied by an operative agreement under G.S. 105-237 covering any amounts that are collectible under G.S. 105-241.22. Chapter 150B of the General Statutes does not apply to a Commission action on issuance, suspension, or revocation of an ABC permit under subdivision (a)(8) of this section. (1949, c. 974, ss. 1, 2; 1963, c. 119; c. 426, s. 12; 1965, c. 326; 1971, c. 872, s. 1; 1973, c. 758, s. 2; c. 1012; 1975, c. 19, s. 5; 1977, c. 70, s. 19.1; c. 668, s. 3; c. 977, ss. 1, 2; 1979, c. 286, s. 4; 1981, c. 412, s. 2; c. 747, ss. 53, 54; 1981 (Reg. Sess., 1982), c. 1262, ss. 13, 14; 1983, c. 435, ss. 32, 39; 1987, c. 136, ss. 7, 8; 1993, c. 415, s. 10; 1995, c. 466, s. 6; 2004-203, s. 25(a); 2014-3, s. 10.1(a); 2019-49, s. 2; 2021-88, s. 4(b); 2021-150, s. 6.2(c).)