

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1705

Short Title: Beer Tax To Treat/Prevent.

(Public)

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Sponsors: Representative Privette.

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Referred to: Human Resources.

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May 5, 1989

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE EXCISE TAX ON BEER AND ALLOCATE THE PROCEEDS OF THE TAX INCREASE FOR ALCOHOL AND DRUG ABUSE TREATMENT AND PREVENTION PROGRAMS AND FOR ALCOHOLISM RESEARCH.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-113.80(a) reads as rewritten:

"(a) Beer. – An excise tax is levied on the sale of malt beverages at the rate of:

(1) ~~Forty-eight and three hundred eighty-seven one thousandths cents (48.387¢)~~ Ninety-six and seven hundred seventy-four one-thousandths cents (96.774¢) per gallon on malt beverages in barrels holding at least seven and three-fourths gallons; and

(2) ~~Fifty-three and three hundred seventy-six one thousandths cents (53.376¢)~~ One dollar and six thousand seven hundred fifty-two one hundred-thousandth cents (\$1.06752) per gallon on malt beverages in cans, bottles, barrels, or other containers holding less than seven and three-fourths gallons."

Sec. 2. G.S. 105-113.82(a) and the catch line of G.S. 105-113.82 read as rewritten:

**"§ 105-113.82. Distribution of part of beer and wine taxes to local governments.**

(a) Amount, Method. – The Secretary shall annually distribute the following percentages of the net amount of excise taxes collected on the sale of malt beverages and wine to the counties and cities in which the retail sale of these beverages is authorized:

- 1 (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), ~~twenty-~~  
2 ~~three and three-fourths percent (23 3/4%)~~eleven and seven-eighths  
3 percent (11 7/8%);
- 4 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-  
5 two percent (62%); and
- 6 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-  
7 two percent (22%).

8 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at  
9 retail in both a county and a city located in the county, both the county and city shall  
10 receive a portion of the amount of excise tax to be distributed, that portion to be  
11 determined on the basis of population. If one of these beverages may be licensed to be  
12 sold at retail in a city located in a county in which the sale of the beverage is otherwise  
13 prohibited, only the city shall receive a portion of the amount of excise tax to be  
14 distributed, that portion to be determined on the basis of population. The amounts to be  
15 distributed under subdivisions (1), (2), and (3) shall be computed separately."

16 Sec. 3. Part 4 of Article 2C of Chapter 105 of the General Statutes is  
17 amended by adding a new section to read:

18 "**§ 105-113.82A. Distribution and use of part of beer tax for alcohol and drug**  
19 **abuse prevention, treatment, and research.**

20 (a) Distribution. The Secretary shall annually distribute the following  
21 percentages of the net proceeds of the excise tax levied on malt beverages under G.S.  
22 105-114.80(a) to the following agencies:

- 23 (1) Five percent (5%) to the Department of Public Instruction;  
24 (2) Seven and one-half percent (7 1/2%) to the Department of Human  
25 Resources, Division of Mental Health, Mental Retardation, and  
26 Substance Abuse Services;  
27 (3) Five percent (5%) to the Department of Human Resources; and  
28 (4) One-half percent (1/2%) to the Department of Administration.

29 The distribution shall be made within 60 days after September 30 of each year and shall  
30 be based on collections during the preceding 12-month period ending September 30.

31 (b) Use of Funds. The Department of Public Instruction shall distribute the funds  
32 it receives under subdivision (a)(1) among all the school administrative units in the  
33 State on a per capita basis, to be used for substance abuse prevention education  
34 programs, including services to at-risk children. The Department of Human Resources,  
35 Division of Mental Health, Mental Retardation, and Substance Abuse Services, shall  
36 distribute the funds it receives under subdivision (a)(2) among the 41 area mental  
37 health, mental retardation, and substance abuse programs on a per capita basis, to be  
38 used for community-based substance abuse prevention and treatment programs. The  
39 Department of Human Resources shall use the funds it receives under subdivision (a)(3)  
40 for grants to counties and cities for alcohol education, rehabilitation, and treatment  
41 programs. The Department shall award the grants in its discretion based on applications  
42 made by counties and cities setting forth the purposes for which the grants will be used.  
43 The Department shall ensure that grants are awarded to counties and cities from all parts  
44 of the State. The Department of Administration shall allocate the funds it receives

1 under subdivision (a)(4) to the Alcoholism Research Fund for additional research by the  
2 North Carolina Alcoholism Research Authority in accordance with Part 3 of Article 6 of  
3 Chapter 122C."

4           Sec. 4. Sections 2 and 3 of this act shall become effective September 30,  
5 1990, and apply to distributions made on or after that date. The remainder of this act  
6 shall become effective October 1, 1989, and applies to sales made on or after that date.