

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE BILL 1393**

Short Title: Reduce and Prevent Underage Drinking. (Public)

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Sponsors: Senator Goss.

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Referred to: Finance.

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March 26, 2007

A BILL TO BE ENTITLED  
AN ACT TO RAISE BEER TAXES TO REDUCE AND PREVENT UNDERAGE  
DRINKING.

Whereas, North Carolina has been long recognized as a leader in providing services to citizens with mental illness, developmental disabilities, and addictive behavioral disorders; and

Whereas, North Carolina not only has a moral obligation, but also in many situations a legal duty, to provide safe and appropriate treatment for citizens suffering from mental illness, developmental disabilities, and substance abuse disorders, so that the burden of caring for those who can least care for themselves does not fall fully on their families, many of whom cannot do so without the State's assistance; and

Whereas, one in every four households in North Carolina has a family member who suffers from a mental or emotional illness; and

Whereas, over 100,000 adults in North Carolina suffer from long-term mental illnesses, and over 90,000 children in North Carolina suffer from serious emotional disorders; and

Whereas, more than 751,000 North Carolinians will suffer from an addictive disorder during their lives, affecting more than 3,759,000 people, family members, employers, friends, and innocent victims as a result of their addictions; and

Whereas, alcohol and other drug addictions and abuses cost North Carolina more than \$8,260,000,000 per year; and

Whereas, there is a strong link between substance abuse and mental illness as evidenced by the fact that in 1999 more than 50,000 North Carolinians were dually diagnosed with substance addiction and mental illness; and

Whereas, the children of substance abusers are three times as likely to be substance abusers themselves, are twice as likely to be admitted for mental disorders, and have a rate of total health care costs that is 32% greater than children from nonsubstance abusing families; and

1           Whereas, over 118,000 children and adults with developmental disabilities  
2 live in North Carolina communities and over 7,920 of them are on waiting lists for  
3 essential services; and

4           Whereas, our State can no longer afford to house clients in overcrowded,  
5 expensive, outdated, and unsafe facilities; to impose additional costs on our public  
6 schools, criminal justice system, local governments, public hospitals, and communities  
7 at large by continuing to shift the burden of treatment; and to ignore the needs of our  
8 State's most vulnerable adults and children who are least able to care for themselves;

9 Now, therefore,

10 The General Assembly of North Carolina enacts:

11           **SECTION 1.** G.S. 105-113.80(a) reads as rewritten:

12           "(a) Beer. – An excise tax of ~~fifty-three and one hundred seventy-seven one~~  
13 ~~thousandths cents (53.177¢)~~ one dollar and six and one-half cents (\$1.065) per gallon is  
14 levied on the sale of malt beverages."

15           **SECTION 2.** G.S. 105-113.82(a)(1) reads as rewritten:

16           "(1) Of the tax on malt beverages levied under G.S. 105-113.80(a),  
17           ~~twenty-three and three-fourths percent (23<sup>3</sup>/<sub>4</sub>%);~~ eleven and eight  
18           hundred seventy-five one-thousandths percent (11.875%);".

19           **SECTION 3.** The Revenue Laws Study Committee shall report on the excise  
20 tax rate on malt beverages every five years and shall suggest adjustments to the rate in  
21 order to keep pace with natural inflationary trends.

22           **SECTION 4.** This act becomes effective July 1, 2007.