

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 692
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40330-ML-119

Short Title: Restaurants & Bars/Buy from Distiller. (Public)

Sponsors: Representative Pickett.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW RESTAURANTS AND BARS HOLDING A MIXED BEVERAGES
3 PERMIT TO PURCHASE SPIRITUOUS LIQUOR FROM A DISTILLERY PERMIT
4 HOLDER FOR RESALE AS MIXED BEVERAGES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 18B-1105(a)(2) reads as rewritten:

7 "(2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to (i)
8 exporters and local boards within the State, (ii) restaurants and bars holding a
9 mixed beverages permit issued under G.S. 18B-1001, and, ~~(ii)~~-(iii) subject to
10 the laws of other jurisdictions, at wholesale or retail to consumers in other
11 states or nations, or private or public agencies or establishments of other states
12 or nations, except that the holder of a distillery permit may not sell, deliver,
13 or ship spirituous liquor at retail to consumers in jurisdictions that require
14 reciprocity in order to allow such sales, deliveries, or shipments."

15 **SECTION 2.** G.S. 18B-804(b1) reads as rewritten:

16 "(b1) Price of Spirituous Liquor Sold at Distillery. – When the holder of a distillery permit
17 sells spirituous liquor distilled at the distillery pursuant to G.S. 18B-1105(a)(4), or to a restaurant
18 or bar pursuant to G.S. 18B-1105(a)(2), the retail price of the spirituous liquor shall be the
19 uniform State price set by subsection (a) of this section. ~~However, For sales pursuant to~~
20 G.S. 18B-1105(a)(4), the holder of the distillery permit shall not be required to remit the
21 components of the price set forth by subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of subsection
22 (b) of this section. For sales to restaurants and bars pursuant to G.S. 18B-1105(a)(2), the holder
23 of the distillery permit shall not be required to remit the components of the price set forth by
24 subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of subsection (b) of this section and the holder
25 of the distillery permit shall remit the component set forth in subdivision (8) of subsection (b) of
26 this section in accordance with G.S. 18B-1105(e)."

27 **SECTION 3.** G.S. 18B-1007(a) reads as rewritten:

28 "(a) Purchases. – ~~A~~ Except as otherwise provided in this subsection, a mixed beverages
29 permittee may purchase spirituous liquor for resale as mixed beverages and a guest room cabinet
30 permittee may purchase spirituous liquor for resale from a guest room cabinet only at an ABC
31 store designated by a local board. A restaurant or bar holding a mixed beverages permit may
32 purchase spirituous liquor for resale as mixed beverages at an ABC store designated by a local
33 board, at a distillery pursuant to G.S. 18B-1105(a)(2), or at an ABC store designated by a local
34 board and at a distillery pursuant to G.S. 18B-1105(a)(2)."

35 **SECTION 4.** G.S. 18B-1105 is amended by adding a new subsection to read:



1 "(e) Distribution of Mixed Beverages Surcharge. – Each month, in addition to any other
2 applicable fees or taxes, a distillery permit holder shall make the following payments for
3 spirituous liquor sold directly to a restaurant or bar under subdivision (2) of subsection (a) of this
4 section:

5 (1) To the Department of Revenue, one-half of the mixed beverages surcharge
6 required by G.S. 18B-804(b)(8).

7 (2) To the Department of Health and Human Services, five percent (5%) of the
8 mixed beverages surcharge required by G.S. 18B-804(b)(8). The Department
9 shall spend the funds described in this subdivision in accordance with the
10 purposes set forth in G.S. 18B-805(b)(3).

11 The remaining portion of the mixed beverages surcharge required by G.S. 18B-804(b)(8)
12 shall be retained by the distillery permit holder."

13 **SECTION 5.** The Alcoholic Beverage Control Commission (Commission) shall
14 develop and implement a process for allowing a holder of a distillery permit issued under
15 G.S. 18B-1105 to affix a mixed beverages tax stamp to spirituous liquor sold directly to a
16 restaurant or bar in accordance with G.S. 18B-1105(a)(2), as amended by Section 1 of this act.
17 The Commission shall revise 14B NCAC 15A .1901, as appropriate, to implement the
18 requirement set forth in this section.

19 **SECTION 6.** This act becomes effective July 1, 2023, and applies to sales made on
20 or after that date.