

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 527
Commerce and Insurance Committee Substitute Adopted 4/25/23
Third Edition Engrossed 4/27/23
House Committee Substitute Favorable 9/7/23
House Committee Substitute #2 Favorable 9/12/23
House Committee Substitute #3 Favorable 6/26/24

Short Title: ABC Omnibus 2023-24.

(Public)

Sponsors:

Referred to:

April 4, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOL LAWS OF THIS STATE.
3 The General Assembly of North Carolina enacts:

4
5 **EXCLUDE READY-TO-DRINK COCKTAILS FROM MIXED BEVERAGE CHARGE**

6 SECTION 1.(a) G.S. 18B-101 reads as rewritten:

7 "§ 18B-101. Definitions.

8 As used in this Chapter, unless the context requires otherwise:

9 ...

10 (8b) "Premixed cocktail" means a single-serving drink in the manufacturer's
11 original closed container of 24 fluid ounces or less containing at least one-half
12 of one percent (0.5%), and no more than thirteen percent (13%), alcohol by
13 volume and consisting of spirituous liquor premixed with any or all of the
14 following: nonalcoholic beverages, flavoring, or coloring. A premixed
15 cocktail may contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide,
16 preservatives, and other similar products manufactured by fermenting fruit or
17 fruit juices.

18 ...

19 (10) "Mixed beverage" means either of the following:

- 20 a. A drink composed in whole or in part of spirituous liquor and served
21 in a quantity less than the quantity contained in a closed package.
22 b. ~~A premixed cocktail served from a closed package containing only one~~
23 ~~serving cocktail sold by a mixed beverages permittee, regardless of~~
24 ~~whether the premixed cocktail is sold in an open container or a closed~~
25 ~~container.~~

26"

27 SECTION 1.(b) G.S. 18B-804(b)(8), as amended by Section 17(c) of this act, reads
28 as rewritten:

29 "(8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar
30 services permittee for resale in mixed beverages, a charge of twenty dollars
31 (\$20.00) on each four liters and a proportional sum on lesser quantities. This
32 subdivision shall not apply to premixed cocktails sold to a mixed beverage



1 permittee in a closed package for resale in or from the closed package, and a
2 mixed beverages tax stamp shall not be required on these closed packages."

3 **SECTION 1.(c)** G.S. 18B-1007(b) reads as rewritten:

4 "(b) Handling Bottles. – It shall be unlawful for a mixed beverages permittee or the
5 permittee's agent or employee to do any of the following:

- 6 (1) Store any other spirituous liquor with liquor possessed for resale in mixed
7 beverages or from a guest room cabinet.
8 (2) Refill any spirituous liquor container having a mixed beverages tax stamp with
9 any other alcoholic beverage, or add to the contents of such a container any
10 other alcoholic beverage.
11 (3) Transfer from one container to another a mixed beverages tax stamp.
12 (4) Possess any container of spirituous liquor not bearing a mixed beverages tax
13 stamp, except for premixed cocktails sold to a mixed beverages permittee in a
14 closed package for resale in or from the closed package or containers being
15 brought onto the premises by the host of a private function under a special
16 occasion permit."

17
18 **ALLOW ABC COMMISSION MEMBERS AND STAFF AND LOCAL BOARD**
19 **MEMBERS, GENERAL MANAGERS, AND STORE MANAGERS TO SAMPLE**
20 **PRODUCTS**

21 **SECTION 2.(a)** Article 2 of Chapter 18B of the General Statutes is amended by
22 adding a new section to read:

23 **"§ 18B-209. Authority to sample spirituous liquor products.**

24 Notwithstanding G.S. 18B-201(d) and G.S. 133-32, and any other provision of law, members
25 and employees of the Commission may consume samples of spirituous liquor products under
26 consideration for approval for sale in this State, free of charge. No person may consume more
27 than one 0.25 ounce tasting sample of each product for this purpose. Such a sample shall not
28 constitute a gift for purposes of G.S. 133-32. Tastings may be conducted pursuant to this section
29 on property owned by the ABC Commission."

30 **SECTION 2.(b)** Article 7 of Chapter 18B of the General Statutes is amended by
31 adding a new section to read:

32 **"§ 18B-707. Authority to sample spirituous liquor products.**

33 Notwithstanding G.S. 18B-201(d) and G.S. 133-32, and any other provision of law, members
34 of a local board and general managers or store managers of ABC stores may consume samples
35 of spirituous liquor products under consideration for approval for sale by the local board, free of
36 charge. No person may consume more than one 0.25 ounce tasting sample of each product for
37 this purpose. Such a sample shall not constitute a gift for purposes of G.S. 133-32. Tastings may
38 be conducted pursuant to this section on property owned by the local board but may not be
39 conducted in publicly accessible areas of any ABC store."

40
41 **LOCAL ABC BOARD FLEXIBILITY ON CERTAIN HOLIDAYS**

42 **SECTION 3.** G.S. 18B-802(b) reads as rewritten:

43 "(b) Days. – No ABC store shall be open, and no ABC store employee shall sell alcoholic
44 beverages, on any Sunday, ~~New Year's Day, Fourth of July, Labor Day,~~ Thanksgiving Day, or
45 Christmas Day. A local board may otherwise determine the days on which its stores shall be
46 closed."
47

48 **RAISE CAP ON POINT-OF-SALE ADVERTISING MATERIALS, PRODUCT**
49 **DISPLAYS, AND COOLERS**

50 **SECTION 4.(a)** G.S. 18B-105 is amended by adding two new subsections to read:

"(c) A beer or wine wholesaler may give, furnish, loan, rent, or sell retailer advertising specialty items and product displays to a retail permittee, so long as the items have not been customized for an individual retail permittee, and provided that the value of the items per brand does not exceed six hundred dollars (\$600.00) per year. For the purposes of this subsection, the following definitions apply:

- (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items from which malt beverages, wine, or spirituous liquor are displayed and sold.
- (2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal checks, paper napkins, glassware, cups, foam scrapers, back bar mats, thermometers, and other similar items that bear advertising matter.

(d) The holder of a supplier representative permit, brokerage representative permit, nonresident spirituous liquor vendor permit, or distillery permit issued under G.S. 18B-1105 may give, furnish, loan, rent, or sell retailer advertising specialty items and product displays to a local board, so long as the items have not been customized for an individual local board, and provided that the value of the items per brand does not exceed one thousand dollars (\$1,000) per year. For the purposes of this subsection, the following definitions apply:

- (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items from which malt beverages, wine, or spirituous liquor are displayed and sold.
- (2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal checks, paper napkins, glassware, cups, foam scrapers, back bar mats, thermometers, and other similar items that bear advertising matter, and shall not include branded plug-in coolers."

SECTION 4.(b) G.S. 18B-809 reads as rewritten:

"§ 18B-809. Use of branded plug-in coolers.

No rule or decision of the Commission may limit or restrict the giving, lending, or selling by industry members of branded plug-in coolers used to hold and display ~~products, products in an ABC store,~~ provided that the total value of coolers are under the dollar limits set forth by the Commission for product displays, per brand is less than one thousand five hundred dollars (\$1,500). A branded plug-in cooler shall have permanent and conspicuous branding that is permanently attached or securely affixed to the cooler."

ALLOW TO-GO AND DELIVERY SALES OF MIXED BEVERAGES AND WINE BY THE GLASS

SECTION 5.(a) G.S. 18B-1001, as amended by Section 14(a) of this act, reads as rewritten:

"§ 18B-1001. Kinds of ABC permits; places eligible.

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

- ...
- (3) **On-Premises Unfortified Wine Permit.** – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this

1 subdivision, transfers of wine by on-premises unfortified wine permittees,
2 purchases of wine by a retail permittee from another retail permittee for the
3 purpose of resale, and sale of wine by a retail permittee to another retail
4 permittee for the purpose of resale are unlawful. In addition, a particular brand
5 of wine may be transferred only if both the transferor and transferee are
6 located within the territory designated between the winery and the wholesaler
7 on file with the Commission. Prior to or contemporaneous with any such
8 transfer, the transferor shall notify each wholesaler who distributes the
9 transferred product of the transfer. The notice shall be in writing or verifiable
10 electronic format and shall identify the transferor and transferee, the date of
11 the transfer, quantity, and items transferred. The holder of the permit is
12 authorized to ship unfortified wine in closed containers to individual
13 purchasers inside and outside the State. Orders received by a winery by
14 telephone, Internet, mail, facsimile, or other off-premises means of
15 communication shall be shipped pursuant to a wine shipper permit and not
16 pursuant to this subdivision. The permit may be issued for any of the
17 following:

- 18 a. Restaurants.
- 19 b. Hotels.
- 20 c. Eating establishments.
- 21 d. Private clubs.
- 22 e. Convention centers.
- 23 f. Cooking schools.
- 24 g. Community theatres.
- 25 h. Wineries.
- 26 i. Wine producers.
- 27 j. Retail businesses.
- 28 k. Sports and entertainment venues.
- 29 l. Bars.
- 30 m. The holder of a distillery permit authorized under G.S. 18B-1105.
- 31 n. Breweries.

32 Additionally, an on-premises unfortified wine permit authorizes a permittee
33 that is a restaurant, eating establishment, hotel, private club, bar, brewery,
34 winery, or wine producer to sell at retail single-serving unfortified wine drinks
35 for consumption off the premises, including delivery by the permittee or a
36 delivery service permittee. Single-serving unfortified wine drinks sold for
37 consumption off the premises must be sold with food and shall be packaged
38 in a container with a secure lid or cap and in a manner designed to prevent
39 consumption without removal of the lid or cap. The container shall be no
40 greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the
41 transportation of single-serving unfortified wine drinks shall not be unlawful
42 if the container continues to be sealed and is in the passenger area of a motor
43 vehicle. Notwithstanding G.S. 18B-1010, the sale of more than two
44 single-serving unfortified wine drinks at one time shall not be unlawful if the
45 single-serving unfortified wine drinks are sold for delivery or consumption off
46 the permittee's premises. No single-serving unfortified wine by the drink
47 ordered for off-premises consumption shall be provided to any person other
48 than the purchaser of the single-serving unfortified wine drink, except that in
49 the case of delivery, the delivery service permittee through its employees or
50 agents may provide the single-serving unfortified wine drink to a person other
51 than the purchaser if the permittee or the permittee's employees or agents

1 verify that the person is over 21 years of age using age verification software
2 requiring the recipient to provide a form of photographic identification
3 authorized in G.S. 18B-302(d)(1).

4 ...

5 (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit
6 authorizes the retail sale of fortified wine for consumption on the premises,
7 either alone or mixed with other beverages, and the retail sale of fortified wine
8 in the manufacturer's original container for consumption off the premises. The
9 permit also authorizes the permittee to transfer fortified wine, not more than
10 four times per calendar year, to another on-premises fortified wine permittee
11 that is under common ownership or control as the transferor. Except as
12 authorized by this subdivision, transfers of wine by on-premises fortified wine
13 permittees, purchases of wine by a retail permittee from another retail
14 permittee for the purpose of resale, and sale of wine by a retail permittee to
15 another retail permittee for the purpose of resale are unlawful. In addition, a
16 particular brand of wine may be transferred only if both the transferor and
17 transferee are located within the territory designated between the winery and
18 the wholesaler on file with the Commission. Prior to or contemporaneous with
19 any such transfer, the transferor shall notify each wholesaler who distributes
20 the transferred product of the transfer. The notice shall be in writing or
21 verifiable electronic format and shall identify the transferor and transferee, the
22 date of the transfer, quantity, and items transferred. The holder of the permit
23 is authorized to ship fortified wine in closed containers to individual
24 purchasers inside and outside the State. Orders received by a winery by
25 telephone, Internet, mail, facsimile, or other off-premises means of
26 communication shall be shipped pursuant to a wine shipper permit and not
27 pursuant to this subdivision. The permit may be issued for any of the
28 following:

- 29 a. Restaurants.
30 b. Hotels.
31 c. Private clubs.
32 d. Community theatres.
33 e. Wineries.
34 f. Convention centers.
35 g. Bars.
36 h. The holder of a distillery permit authorized under G.S. 18B-1105.
37 i. Sports and entertainment venues.
38 j. Breweries.

39 Additionally, an on-premises fortified wine permit authorizes a permittee that
40 is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail
41 single-serving fortified wine drinks for consumption off the premises,
42 including delivery by the permittee or a delivery service permittee.
43 Single-serving fortified wine drinks sold for consumption off the premises
44 must be sold with food and shall be packaged in a container with a secure lid
45 or cap and in a manner designed to prevent consumption without removal of
46 the lid or cap. The container shall be no greater than 24 fluid ounces.
47 Notwithstanding G.S. 20-138.7, the transportation of single-serving fortified
48 wine drinks shall not be unlawful if the container continues to be sealed and
49 is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010,
50 the sale of more than two single-serving fortified wine drinks at one time shall
51 not be unlawful if the single-serving fortified wine drinks are sold for delivery

1 or consumption off the permittee's premises. No single-serving fortified wine
 2 by the drink ordered for off-premises consumption shall be provided to any
 3 person other than the purchaser of the single-serving fortified wine drink,
 4 except that in the case of delivery, the delivery service permittee through its
 5 employees or agents may provide the single-serving fortified wine drink to a
 6 person other than the purchaser if the permittee or the permittee's employees
 7 or agents verify that the person is over 21 years of age using age verification
 8 software requiring the recipient to provide a form of photographic
 9 identification authorized in G.S. 18B-302(d)(1).

10 ...
 11 (10)

Mixed Beverages Permit. – A mixed beverages permit authorizes the retail sale of mixed beverages for consumption on the premises. The permit also authorizes a mixed beverages permittee to obtain an antique spirituous liquor permit under subdivision (20) of this section and to use for culinary purposes spirituous liquor lawfully purchased for use in mixed beverages. The permit may be issued for any of the following:

- 17 a. Restaurants.
- 18 b. Hotels.
- 19 c. Private clubs.
- 20 d. Convention centers.
- 21 e. Community theatres.
- 22 f. Nonprofit organizations.
- 23 g. Political organizations.
- 24 h. Sports and entertainment venues.
- 25 i. Bars.
- 26 j. The holder of a distillery permit authorized under G.S. 18B-1105.
- 27 k. Breweries.
- 28 l. Wineries.

29 Additionally, a mixed beverages permit authorizes a permittee that is a
 30 restaurant, hotel, private club, bar, brewery, winery, or the holder of a
 31 distillery permit to sell at retail mixed beverages for consumption off the
 32 premises, including delivery by the permittee or a delivery service permittee.
 33 A mixed beverage sold for consumption off the premises must be sold with
 34 food and shall be (i) a premixed cocktail in the manufacturer's original closed
 35 container, or (ii) packaged in a container with a secure lid or cap, and in a
 36 manner designed to prevent consumption without removal of the lid or cap.
 37 The container shall be no greater than 24 fluid ounces. Notwithstanding
 38 G.S. 20-138.7, the transportation of a mixed beverage shall not be unlawful if
 39 the container continues to be sealed and is in the passenger area of a motor
 40 vehicle. Notwithstanding G.S. 18B-1010, the sale of more than one mixed
 41 beverage drink at one time shall not be unlawful if the mixed beverage drinks
 42 are sold for delivery or consumption off the permittee's premises. No mixed
 43 beverage ordered for off-premises consumption shall be provided to any
 44 person other than the purchaser of the mixed beverage, except that in the case
 45 of delivery, the delivery service permittee through its employees or agents
 46 may provide the mixed beverage to a person other than the purchaser if the
 47 permittee or the permittee's employees or agents verify that the person is over
 48 21 years of age using age verification software requiring the recipient to
 49 provide a form of photographic identification authorized in
 50 G.S. 18B-302(d)(1).

51"

1 **SECTION 5.(b)** G.S. 20-138.7 reads as rewritten:

2 "**§ 20-138.7. Transporting an open container of alcoholic beverage.**

3 (a) Offense. – No person shall drive a motor vehicle on a highway or the right-of-way of
4 a highway:

5 (1) While there is an alcoholic beverage in the passenger area in other than the
6 unopened manufacturer's original ~~container~~; ~~and container~~ or a container that
7 remains securely sealed pursuant to G.S. 18B-1001(3), 18B-1001(5), or
8 18B-1001(10).

9 (2) While the driver is consuming alcohol or while alcohol remains in the driver's
10 body.

11 "

12 **SECTION 5.(c)** G.S. 18B-1001.4 reads as rewritten:

13 "**§ 18B-1001.4. Authorization of delivery service permit.**

14 (a) Authorization. – The holder of a delivery service permit, or the permit holder's
15 employee or independent contractor, may deliver malt beverages, unfortified wine, or fortified
16 wine on behalf of a retailer holding a permit issued pursuant to subdivisions (1) through (6) and
17 (16) of ~~G.S. 18B-1001~~ G.S. 18B-1001, and mixed beverages on behalf of a retailer holding a
18 permit issued pursuant to subdivision (3), (5), or (10) of G.S. 18B-1001 when delivered in
19 accordance with the requirements of those subdivisions, to a location designated by the
20 purchaser. A delivery service permittee may also facilitate delivery through technology services
21 that connect consumers and licensed retailers through the use of the Internet, mobile applications,
22 and other similar technology.

23 (b) Training and Payment. – Prior to making any deliveries, each individual delivering
24 alcoholic beverages pursuant to a delivery service permit shall successfully complete a course
25 approved by the Commission related to the delivery of alcoholic beverages. Upon receipt of a
26 proposed training program from a holder of a delivery service permit, the Commission shall have
27 15 business days to approve, deny, or request modifications to the proposed training program.
28 An individual delivering alcoholic beverages pursuant to a delivery service permit shall not
29 handle or possess funds used to purchase an alcoholic beverage that is to be delivered, but may
30 facilitate the sales transaction in a manner that does not involve taking possession of funds.

31 (c) Age of Recipient and Notice. – An individual may only deliver alcoholic beverages
32 pursuant to a delivery service permit to an individual who is at least 21 years of age and who
33 immediately takes actual possession of the alcoholic beverages purchased. Delivery of
34 single-serving unfortified wine drinks shall be made in accordance with G.S. 18B-1001(3).
35 Delivery of single-serving fortified wine drinks shall be made in accordance with
36 G.S. 18B-1001(5). Delivery of mixed beverages shall be made in accordance with
37 G.S. 18B-1001(10). A delivery of alcoholic beverages in a package that obscures the
38 manufacturer's original packaging shall have affixed to the outside of the package a notice in
39 26-point type or larger stating: "CONTAINS ALCOHOLIC BEVERAGES; AGE
40 VERIFICATION REQUIRED."

41 (d) Limitations. – A delivery service permittee shall deliver alcoholic beverages only
42 within the time allowed for lawful sales and consumption in the jurisdiction where the delivery
43 is located. No delivery shall be made to any jurisdiction within the State that has not authorized
44 the sale of the purchased alcoholic beverages. A delivery service permittee shall not deliver
45 alcoholic beverages to the premises of another licensed retailer or more than 50 miles from the
46 retailer's licensed premises. Only alcoholic beverages purchased for personal consumption and
47 from a licensed retailer's existing inventory located on the retailer's premises may be delivered
48 pursuant to a delivery service ~~permit~~ permit, except for single-serving unfortified wine drinks in
49 sealed containers meeting the requirements of G.S. 18B-1001(3), single-serving fortified wine
50 drinks in sealed containers meeting the requirements of G.S. 18B-1001(5), and mixed beverages
51 in sealed containers meeting the requirements of G.S. 18B-1001(10).

1 (e) Scope and Construction. – A delivery service permit is not required for a common
 2 carrier lawfully transporting or shipping alcoholic beverages. Nothing in this section shall be
 3 construed as exempting the delivery of alcoholic beverages pursuant to a delivery service permit
 4 from the requirements set forth in Article 4 of Chapter 18B of the General Statutes. Nothing in
 5 this section shall be construed to require a technology services company to obtain a delivery
 6 service permit if the company does not employ or contract with delivery drivers, but rather
 7 provides software or an application that connects consumers and licensed retailers for the
 8 delivery of alcoholic beverages from the licensed retailer. Nothing in this section shall be
 9 construed to require a retailer that holds a permit issued pursuant to subdivisions (1) through ~~(6)~~
 10 (6), (10), and (16) of G.S. 18B-1001 to obtain a delivery service permit in order for employees
 11 of the retail permittee to deliver malt beverages, unfortified wine, or fortified wine to a location
 12 designated by the purchaser, however, the other provisions of this section apply to the retailer.

13 (f) Penalties for Violations in Residence Halls. – Notwithstanding G.S. 18B-104, if a
 14 delivery service permittee commits a violation of this Chapter when delivering to a residence hall
 15 located on the premises of an institution of higher education the delivery service permittee shall
 16 be subject to a fine of up to one thousand dollars (\$1,000) for the first violation, up to one
 17 thousand five hundred dollars (\$1,500) for a second violation within three years of the first
 18 violation, and up to two thousand dollars (\$2,000) for a third or subsequent violation within three
 19 years of the first violation. In any case in which there are two or more violations within three
 20 years by a delivery service permittee when delivering to a residence hall on the premises of an
 21 institution of higher education in which the Commission is entitled to suspend or revoke a permit,
 22 the Commission may accept from the permittee an offer in compromise to pay a penalty of not
 23 more than ten thousand dollars (\$10,000). The Commission may either accept a compromise or
 24 revoke a permit, but not both. The Commission may accept a compromise and suspend the permit
 25 in the same case."

26 **SECTION 5.(d)** G.S. 18B-1105(a) reads as rewritten:

27 "**§ 18B-1105. Authorization of distillery permit.**

28 (a) The holder of a distillery permit may do any of the following:

29 ...

30 (4a) In an area where the sale of mixed beverages is authorized by law, sell mixed
 31 beverages for consumption on the ~~premises~~, ~~premises~~, or for consumption off
 32 the premises in accordance with the requirements for sale for consumption off
 33 the premises described in G.S. 18B-1001(10). If a distillery elects to sell
 34 mixed beverages containing spirituous liquor other than that produced at the
 35 distillery, the distillery shall obtain a mixed beverages permit pursuant to
 36 G.S. 18B-1001.

37 (4b) If the distillery is located on a property used for bona fide farm purposes, as
 38 defined in G.S. 160D-102(3), sell mixed beverages containing only spirituous
 39 liquor produced at the distillery for consumption on the ~~premises~~, ~~premises~~, or
 40 for consumption off the premises in accordance with the requirements for sale
 41 for consumption off the premises described in G.S. 18B-1001(10), regardless
 42 of the results of any local mixed beverage election.

43 (4c) In an area where the sale of mixed beverages has not been approved by a local
 44 election, sell mixed beverages containing only spirituous liquor produced at
 45 the distillery for consumption on the ~~premises~~, ~~premises~~, or for consumption
 46 off the premises in accordance with the requirements for sale for consumption
 47 off the premises described in G.S. 18B-1001(10), upon obtaining a mixed
 48 beverages permit under G.S. 18B-1001.

49"

50

1 **ALLOW MIXED BEVERAGE PERMITTEES TO PURCHASE SPIRITUOUS LIQUOR**
2 **FROM ANY DESIGNATED ABC STORE IN THE SAME COUNTY AND MODIFY**
3 **ELIGIBILITY FOR SMALL TOWNS TO HOLD ALCOHOL ELECTIONS**

4 **SECTION 6.(a)** G.S. 18B-404(c) reads as rewritten:

5 "(c) Designated Store. – ~~A local board may designate a store within its system to make~~
6 ~~sales to mixed beverages permittees. A mixed beverage permittee may purchase spirituous liquor~~
7 from an ABC store that is designated as a mixed beverage ABC store operated by any local board
8 operating in the same county as the permittee."

9 **SECTION 6.(b)** G.S. 18B-600 reads as rewritten:

10 **"§ 18B-600. Places eligible to hold alcoholic beverage elections.**

11 ...

12 (c) City Malt Beverage and Unfortified Wine Elections. – A city may hold a malt
13 beverage or unfortified wine election only if the county in which the city is located has already
14 held such an election, the vote in the last county election was against the sale of that kind of
15 alcoholic beverage, and ~~one or more of the following apply:~~

16 (1) ~~The~~ the city has a population of ~~500~~ 400 or more according to the most recent
17 federal decennial census.

18 (2) ~~The city operates an ABC store.~~

19 (3) ~~The city has a population of 400 or more but less than 500 according to the~~
20 ~~most recent federal decennial census and had a population of 500 or more~~
21 ~~according to the prior federal decennial census.~~

22 ...

23 (e) City Mixed Beverage Elections. – A city may hold a mixed beverage election if the
24 city has at least 500 registered voters. Provided, that if a city that qualifies for an election under
25 this subsection approves the sale of mixed beverages, a mixed beverages permittees-permittee
26 in the city may purchase liquor from the ABC store designated by the local ABC board that has
27 been approved by the Commission for this purpose. an ABC store that is designated as a mixed
28 beverage ABC store operated by any local board operating in the same county as the permittee.

29 (e1) Small City Mixed Beverage Elections. – A city may also hold a mixed beverage
30 election if the city has at least ~~300~~ 200 registered voters and is located in a county with at least
31 one other city that has approved the sale of mixed beverages. Provided, that if a city that qualifies
32 for an election under this subsection approves the sale of mixed beverages, a mixed beverages
33 permittees-permittee in the smaller city may purchase liquor from the ABC store designated by
34 any local ABC board in any other city that has approved the sale of mixed beverages. an ABC
35 store that is designated as a mixed beverage ABC store operated by any local board operating in
36 the same county as the permittee.

37 ~~This subsection shall not apply to Alamance, Avery, Burke, Caldwell, Carteret, Cleveland,~~
38 ~~Henderson, Onslow, Polk, Robeson, Rowan, Rutherford, and Wilkes Counties.~~

39 (e2) Ski Resorts ABC Elections. – Notwithstanding any other provisions of this section,
40 any city that provides governmental services to as many as 1,000 snow skiers weekly during the
41 normal ski season from December 1 through March 15, may hold an election authorized by
42 subdivision (a)(1), (2), or (4) of this section. If the sale of mixed beverages is approved,
43 notwithstanding G.S. 18B-404(c), the sales of liquor shall be made by any local board designated
44 by the State ABC Commission.

45 (e3) ~~Small Town Mixed Beverage Elections.~~ – ~~A town may hold a mixed beverage election~~
46 ~~if the town (i) has at least 200 registered voters, is located in a county bordering the Neuse River~~
47 ~~and Pamlico Sound that has not approved the sale of mixed beverages, and that county has only~~
48 ~~one city that has approved the sale of mixed beverages or (ii) has at least 200 registered voters,~~
49 ~~has a total area of less than 1 square mile, operates an ABC store, and is located in a county that~~
50 ~~has at least three cities that have approved the sale of mixed beverages. Provided, that if a town~~
51 ~~that qualifies for an election under this subsection approves the sale of mixed beverages, mixed~~

1 ~~beverages permittees in the town may purchase liquor from the ABC store designated by any~~
 2 ~~local ABC board in any other city that has approved the sale of mixed beverages.~~

3 (e4) Multicounty/City ABC Elections. – If a city is located in two or more counties, the
 4 following provisions shall apply:

5 (1) The city may hold a malt beverage or unfortified wine election if any county
 6 in which a portion of the city is located has already held such an election, the
 7 vote in the last election of the particular type was against the sale of that type
 8 of alcoholic beverage, and the city has a population of 500 or more.

9 (2) The city may hold a mixed beverage election if the city has at least 500
 10 registered voters and a county in which a portion of the city is located operates
 11 ABC stores, or a municipality in either county in which the city is located
 12 operates an ABC store.

13 (3) If an election is held by a city under this subsection, all of the city voters may
 14 vote in the election. If the vote is for approval, alcoholic beverages may be
 15 sold on the basis of that approval and under the provisions of this Chapter. If
 16 the sale of mixed beverages is approved, ~~the a mixed beverage permittees shall~~
 17 ~~permittee may purchase their liquor from one or more ABC stores located~~
 18 ~~within the city that have been designated by the local boards for those~~
 19 ~~purchases. an ABC store that is designated as a mixed beverage ABC store~~
 20 ~~operated by any local board operating in the same county as the permittee.~~
 21 The remaining gross receipts shall be distributed in accordance with existing
 22 law applicable to those ABC stores, except that after the applicable
 23 distributions have been made pursuant to G.S. 18B-805(b), (c), and (d), the
 24 local share of the mixed beverages surcharge and the guest room cabinet
 25 surcharge required by G.S. 18B-804(b)(8) and (9) shall be distributed one-half
 26 to the general fund of the city where the mixed beverage permittees are located
 27 and one-half to the local ABC boards from whose stores liquor is purchased.

28 (e5) Small Resort Town ABC Elections. – A town may hold a mixed beverage election if
 29 it:

30 (1) Was incorporated after 1990 and prior to the effective date of this subsection;

31 (2) Has at least 100 residents;

32 (3) Is located in a county that borders another state and that has two other
 33 municipalities which have ABC stores; and

34 (4) At the time of the election, has corporate boundaries that border or include
 35 land in three counties.

36 Provided, that if a town that qualifies for an election under this subsection approves the sale
 37 of mixed beverages, ~~a mixed beverages permittees permittee~~ in the town may purchase liquor
 38 from ~~the ABC store designated by any local ABC board in any other city that has approved the~~
 39 ~~sale of mixed beverages. an ABC store that is designated as a mixed beverage ABC store operated~~
 40 ~~by any local board operating in the same county as the permittee.~~

41"

42 **SECTION 6.(c)** G.S. 18B-1007(a) reads as rewritten:

43 "(a) Purchases. – A mixed beverages permittee may purchase spirituous liquor for resale
 44 as mixed beverages and a guest room cabinet permittee may purchase spirituous liquor for resale
 45 from a guest room cabinet only at ~~an ABC store designated by a local board. an ABC store that~~
 46 ~~is designated as a mixed beverage ABC store operated by any local board operating in the same~~
 47 ~~county as the permittee."~~

48 **SECTION 6.(d)** This section is retroactively effective November 1, 2022, and
 49 applies to elections conducted on or after that date.

50

1 **ALLOW MIXED BEVERAGE PERMITTEES TO COVER MIXED BEVERAGE TAX**
2 **STAMPS WITH CLEAR ADHESIVE TO PREVENT THEM FROM FALLING OFF**
3 **CONTAINERS OF SPIRITUOUS LIQUOR**

4 **SECTION 7.** G.S. 18B-1007 is amended by adding a new subsection to read:

5 "(e) A mixed beverages permittee may not destroy, alter, or deface the mixed beverages
6 tax stamp or any other stamp, label, seal, or device required by law to be affixed to a spirituous
7 liquor container before the container has been emptied. However, the permittee may cover the
8 tax stamp with a clear adhesive for the purpose of preventing the tax stamp from being detached
9 from the container, provided that the tax stamp shall remain legible and capable of being
10 permanently defaced when the container is empty."

11
12 **SPECIAL PURCHASE ALLOWANCE MODIFICATION**

13 **SECTION 8.(a)** Article 2 of Chapter 18B of the General Statutes is amended by
14 adding a new section to read:

15 **"§ 18B-211. Special purchase allowance limitation.**

16 The Commission shall notify industry members and local boards at least 60 days in advance
17 of the effective date of an approved retail price reduction for a spirituous liquor product. The
18 price of the spirituous liquor for local boards shall be reduced only for the 30 days that the
19 approved retail price reduction is in effect."

20 **SECTION 8.(b)** The Commission shall adopt rules to address orders placed by a
21 local board for a product with an approved retail price reduction when the product is out of stock
22 while the approved retail price reduction is in effect.

23
24 **ALLOW ABC STORES TO SELL VALUE-ADDED PRODUCTS, GIFT CARDS, AND**
25 **BARRELS**

26 **SECTION 9.(a)** G.S. 18B-800 reads as rewritten:

27 **"§ 18B-800. Sale of alcoholic beverages in ABC stores.**

28 (a) Spirituous Liquor. – Except as provided in Articles 10 and 11 of this Chapter,
29 spirituous liquor may be sold only in ABC stores operated by local boards. For purposes of this
30 subsection, the term "sold only in ABC stores operated by local boards" includes online orders
31 placed in accordance with subsection (c3) of this section.

32 (b) Fortified Wine. – In addition to spirituous liquor, ABC stores may sell fortified wine.
33 ABC stores may also sell wine products, irrespective of alcohol content by volume, which were
34 classified as fortified wine by the ABC Commission prior to July 7, 2004.

35 (b1) Consumer Specialty Items. – ABC stores may sell branded consumer specialty items
36 such as bottle or can openers, cork screws, muddlers, ashtrays, shopping bags, individual can
37 coolers, drinking glasses, clothing, or key chains that are packaged with a spirituous liquor
38 product. A branded consumer specialty item shall not include a tobacco, vapor, or hemp product
39 or tobacco, vapor, or hemp paraphernalia. The Commission may approve the retail price for a
40 spirituous liquor product packaged by the producer with one or more branded specialty items at
41 a different price than an individual bottle of the same spirituous liquor product. The local board
42 shall not remove a spirituous liquor product packaged by the producer with one or more branded
43 specialty items from the package.

44 (b2) Gift Cards. – ABC stores may sell physical or electronic gift cards. The ABC store
45 shall not collect sales tax for the sale of the gift card. A gift card may be purchased or redeemed
46 only by a customer 21 years of age or older. A local board or ABC store may not offer a discount
47 on a gift card or value on the gift card in excess of the amount paid by the customer. A gift card
48 may be redeemed at any ABC store operated by the local board from which the gift card was
49 purchased. A gift card sold by an ABC store shall not expire until the funds on the card are
50 exhausted.

1 **(b3) Barrels.** – An ABC store may sell empty barrels or parts of barrels received from a
2 distiller in which spirituous liquors were aged, provided that the local board also purchased the
3 spirituous liquor aged in the barrel.

4 ...

5 **(c3) Online Orders.** – An ABC store may accept an online order, including payment, for
6 gift cards and alcoholic beverages sold in its store. An order for alcoholic beverages placed online
7 pursuant to this subsection shall be picked up in person at the store by the individual who placed
8 the order. An order for a gift card may be delivered digitally to the purchaser. An order placed
9 online pursuant to this subsection shall include the name and unique identifier number of the
10 individual placing the order, who shall be at least 21 years of age as shown on the form of
11 identification authorized pursuant to G.S. 18B-302(d)(1) and otherwise legally authorized to
12 purchase alcoholic beverages. An employee of the ABC store shall confirm that ~~the an~~ online
13 order for alcoholic beverages is picked up in person at the store by the individual who placed the
14 order by verifying the individual's identification that conforms to the identifying information
15 contained in the online order.

16 "

17 **SECTION 9.(b)** This section becomes effective July 1, 2024.

18 **ALLOW LOCAL BOARDS TO SELL PRODUCTS BELOW THE DISTILLER'S PRICE**

19 **SECTION 10.** Article 7 of Chapter 18B of the General Statutes is amended by adding
20 a new section to read:

21 **"§ 18B-708. Sale of certain spirituous liquors below distiller's price.**

22 **(a)** Notwithstanding G.S. 18B-804(b), the Commission may authorize a local board to
23 sell certain spirituous liquors below the price paid by the local board for the spirituous liquors,
24 including the bailment charge and surcharge, upon request from the local board. Before allowing
25 the local board to sell spirituous liquor below the price paid by the local board, the Commission
26 shall verify that allowing the price reduction will not cause the local board to operate at an annual
27 net loss or, if the local board was already operating at a loss, will not cause the local board to
28 incur additional annual net revenue losses.

29 **(b)** If a distillery requests to be notified if its products are authorized for pricing below
30 the distiller's price pursuant to this section, the Commission shall notify the distiller of the product
31 and the local board for which the reduced pricing is authorized within 24 hours of the
32 authorization. The Commission shall notify the local board upon authorization if the distillery
33 has requested to be notified. The distillery shall have the right of first refusal to purchase any of
34 the distillery's products that a local board requests to sell pursuant to this section for the price
35 authorized by the Commission for two business days prior to the reduction of the retail price in
36 the ABC store. If the distillery has not purchased the products within two business days after
37 being notified of the reduced pricing by the Commission, the local board may reduce the retail
38 price. If the distillery has not requested to be notified if its products are authorized for pricing
39 below the distiller's price pursuant to this section, the local board may reduce the retail price
40 immediately upon authorization by the Commission."

41 **AMEND ELIGIBILITY FOR ALCOHOLIC BEVERAGE SALES ON TRAINS**

42 **SECTION 11.** G.S. 18B-108 reads as rewritten:

43 **"§ 18B-108. Sales on trains.**

44 Alcoholic beverages may be sold on railroad trains in this State upon compliance with Article
45 2C of Chapter 105 of the General Statutes. Malt beverages, unfortified wine, and fortified wine
46 may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or
47 agent of a rail line that carries at least 60,000 passengers ~~annually~~ annually or is at least 100 miles
48 long and connects to the federal rail network."
49
50
51

ALLOW SALE OF TWO MIXED BEVERAGES AT SPIRITUOUS LIQUOR SPECIAL EVENTS

SECTION 12. G.S. 18B-1114.7(b1) reads as rewritten:

"(b1) General Limitations on Sales of Mixed Beverages. – The sale of mixed beverages in conjunction with a consumer tasting under a spirituous liquor special event permit is subject to the following limitations:

- (1) The sale of mixed beverages in conjunction with a consumer tasting is not authorized at shopping malls, street festivals, holiday festivals, or balloon races.
- (2) The mixed beverages shall contain only spirituous liquor distilled or produced at the distillery.
- (3) The permit holder or the permit holder's authorized agent shall conduct the sale of mixed beverages, and the permit holder shall be solely responsible for any violations of this Chapter occurring in connection with the event.
- (4) The permit holder or the permit holder's authorized agent may only sell mixed beverages containing products from one distillery per booth, kiosk, or display.
- (5) The mixed beverage shall be prepared only by either (i) the permit holder or the permit holder's authorized agent conducting the consumer tasting or (ii) an employee of the permit holder or the permit holder's authorized agent conducting the consumer tasting who is at least 21 years of age.
- (6) The permit holder or the permit holder's authorized agent shall not knowingly sell more than ~~one mixed beverage~~ two mixed beverages to a customer per calendar day, per distillery.
- (7) The permit holder or the permit holder's authorized agent shall not sell or serve mixed beverages to any consumer who is visibly intoxicated.
- (8) The permit holder or the permit holder's authorized agent shall not sell or serve mixed beverages to any consumer under 21 years of age. The person preparing the mixed beverage shall be responsible for verifying the age of the consumer being served by checking the identification of the consumer.
- (9) The sale of mixed beverages shall not be allowed unless the venue is located in a jurisdiction that has approved the sale of mixed beverages.
- (10) Mixed beverages may not be sold between the hours of 2:00 A.M. and 7:00 A.M., except that on Sundays mixed beverages may not be sold until 12:00 noon unless otherwise authorized by local ordinance pursuant to G.S. 153A-145.7 or G.S. 160A-205.3."

TRANSITION PERIOD FOR ABC PERMITTEE OWNERSHIP; SAFE HARBOR AND LATE RENEWAL FEES; CLARIFICATION REGARDING TRANSFER OF A PERMITTED ESTABLISHMENT TO A TRUST; AND TEMPORARY PERMIT CHANGES

SECTION 13.(a) G.S. 18B-903 reads as rewritten:

"§ 18B-903. Duration of permit; renewal and transfer.

(a) Duration. – Once issued, ABC permits shall be valid for the following periods, unless earlier surrendered, suspended or revoked:

- (1) On-premises and off-premises malt beverage, unfortified wine, and fortified wine permits; culinary permits; and all permits listed in G.S. 18B-1100 shall remain valid ~~indefinitely~~; indefinitely.
- (2) Limited special occasion permits shall be valid for 48 hours before and after the occasion for which the permit was ~~issued~~; issued.
- (3) Special one-time permits issued under G.S. 18B-1002 shall be valid for the period stated on the ~~permit~~; permit.

1 (4) Temporary permits issued under G.S. 18B-905 shall be valid for 90 days;
2 ~~and days. After 90 days, a temporary permit shall no longer be deemed a~~
3 temporary permit and shall be deemed to have been issued under either
4 subdivision (a)(1) or (a)(5) of this section, as applicable, and shall remain
5 valid pursuant to the applicable subdivision.

6 (5) All other ABC permits shall be valid for one year, from May 1 to April 30.

7 ...

8 (b3) Safe Harbor; Late Fees. – Notwithstanding subsection (a) of this section, the
9 Commission shall not revoke a permit for failure to pay a renewal application fee or an annual
10 registration and inspection fee until June 1 of each year. No later than five business days after
11 April 30 of each year, the Commission shall notify permittees who have not paid any required
12 renewal application fees or annual registration and inspection fees as of April 30. The
13 Commission shall charge a late fee of twenty-five percent (25%) of the renewal application fee
14 or registration and inspection fee for a permit for which the renewal application fee or registration
15 and inspection fee is submitted after April 30.

16 (c) Change in Ownership. –

17 (1) Except as provided in ~~subdivision (2)~~ subdivisions (2) and (2a) of this
18 subsection, all permits for an establishment shall automatically expire and
19 shall be surrendered to the Commission ~~if~~ in any of the following
20 circumstances:

21 a. Ownership of the establishment ~~changes; or~~ changes.

22 b. There is a change in the membership of the firm, association or
23 partnership owning the establishment, involving the acquisition of a
24 twenty-five percent (25%) or greater share in the firm, association or
25 partnership by someone who did not previously own a twenty-five
26 percent (25%) or greater ~~share; or~~ share.

27 c. Twenty-five percent (25%) or more of the stock of the corporate
28 permittee owning the establishment is acquired by someone who did
29 not previously own twenty-five percent (25%) or more of the stock.

30 (2) Notwithstanding subsection (e) of this section, any person who through
31 contract, lease, management agreement, or change of ownership or transfer of
32 business as provided in subdivision (1) of this subsection becomes lawfully
33 entitled to use and control of the premises of an establishment that holds
34 permits immediately prior to such change of ownership may continue to
35 operate the establishment, as successor to the prior permittee, to the same
36 extent as the predecessor permittee until the person receives a temporary or
37 new permit, including purchasing malt beverages, unfortified wine, or
38 fortified wine to be resold for on-premises or off-premises consumption, or
39 spirituous liquor for use in mixed beverages sold by the establishment, as
40 applicable under the permit, subject to the following limitations:

41 a. The person shall provide written or electronic notice to the
42 Commission of the name of the non-permitted person, the name and
43 address of the permitted establishment, and the date of the change in
44 ownership. The person may not operate the establishment as provided
45 in this subdivision until the person has provided notice to the
46 Commission. The Commission shall not require any additional
47 documentation besides the written or electronic notice to satisfy this
48 requirement. The prior permittee shall not be liable for any acts or
49 omissions of the non-permitted person operating the establishment.
50 Any alcoholic beverage offenses committed by the person or any
51 actions taken by the Commission to revoke or suspend the permit

- 1 based on the acts or omissions of the person operating the
 2 establishment shall not preclude the prior permittee from receiving an
 3 ABC permit for a different establishment.
 4 b. The person shall submit a new permit application to the Commission
 5 within 60 days after the change of ownership. If the person does not
 6 apply for a new permit within 60 days, all permits for the establishment
 7 shall automatically expire and shall be surrendered to the Commission.
 8 If the person has applied to the applicable local government for the
 9 Inspection/Zoning Compliance and Local Government Opinion forms
 10 required for the application but has not received approvals or denials
 11 from the local government within the 60-day period, the applicant may
 12 submit a sworn affidavit with the application stating that the person
 13 has applied to the local government for the Inspection/Zoning
 14 Compliance and Local Government Opinion approvals in lieu of those
 15 approvals. The person shall send the local government approvals or
 16 denials to the Commission within three business days of receiving the
 17 approvals or denials. If the local government finds the person to be in
 18 noncompliance, the person may not operate during the transition
 19 period allowed by this subdivision until the establishment is brought
 20 into compliance.
 21 c. The 60-day period to file a new permit application shall only be
 22 allowed once per 24 months for each establishment that holds an ABC
 23 permit, unless the establishment requests and the Commission grants
 24 a waiver of the 24 month requirement. The Commission shall grant a
 25 waiver of the 24 month requirement if it determines that the public
 26 health, safety, and welfare would not be harmed by granting the
 27 waiver.
 28 d. This subdivision shall apply only to establishments that hold ABC
 29 permits that are in good standing and that have not been found
 30 responsible by the Commission or a court of competent jurisdiction of
 31 a gambling, assault, disorderly conduct, prostitution, or controlled
 32 substances violation within 12 months prior to the date the
 33 non-permitted person becomes entitled to use and control of the
 34 establishment.
 35 e. The person shall be authorized to operate the establishment as
 36 successor to the prior permittee to the same extent as the predecessor
 37 permittee until the Commission either issues or denies the permit
 38 application submitted pursuant to sub-subdivision b. of this
 39 subdivision.
 40 (2a) The transfer by a person of any ownership interest to a revocable or
 41 irrevocable trust established by the person shall not constitute a change in
 42 ownership for purposes of subdivision (1) of this subsection if the person
 43 transferring the ownership interest to the trust continues to operate the
 44 establishment. If the person who transferred the ownership interest ceases to
 45 operate the establishment following the transfer of the ownership interest to
 46 the trust, this shall constitute a change in ownership for purposes of
 47 subdivision (1) of this subsection. The trustee shall notify the Commission
 48 within 30 days if the person who transferred the ownership interest ceases to
 49 operate the establishment.

50"

51 SECTION 13.(b) G.S. 18B-905 reads as rewritten:

"§ 18B-905. Temporary permits.

When an application has been received in proper form, with the required application fee, the Commission may issue a temporary permit for any of the activities for which permits are authorized under G.S. 18B-1001 and 18B-1100. A temporary permit may be revoked summarily by the Commission without complying with the provisions of Chapter 150B. Revocation of a temporary permit or withdrawal by the Commission of a pending application by a permittee possessing a temporary permit shall be effective upon service of the notice of revocation or withdrawal upon the permittee at either the permittee's residence or the address given for the business in the permit application or upon the expiration of ~~three working~~ five business days after the notice of the revocation or withdrawal has been mailed to the permittee at either ~~his~~ the permittee's residence or the address given for the business in the permit application. No further notice shall be required."

MAKE TECHNICAL CORRECTIONS RELATED TO BARS AND ALLOW MALT BEVERAGES TO BE MIXED WITH OTHER BEVERAGES

SECTION 14.(a) G.S. 18B-1001, as amended by Section 5(a) of this act, reads as rewritten:

"§ 18B-1001. Kinds of ABC permits; places eligible.

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

- (1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit authorizes (i) the retail sale of malt beverages for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of malt beverages in a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer malt beverages, not more than four times per calendar year, to another on-premises malt beverage permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of malt beverages by on-premises malt beverage permittees, purchases of malt beverages by a retail permittee from another retail permittee for the purpose of resale, and sales of malt beverages by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of malt beverages may be transferred only if both the transferor and transferee are located within the territory designated between the brewery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. It also authorizes the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:
 - a. Restaurants.
 - b. Hotels.
 - c. Eating establishments.
 - d. Food businesses.
 - e. Retail businesses.
 - f. Private clubs.

- 1 g. Convention centers.
- 2 h. Community theatres.
- 3 i. Breweries as authorized by subdivisions (7) and (8) of
- 4 G.S. 18B-1104(a).
- 5 j. Sports and entertainment venues.
- 6 k. ~~Private bars.~~ Bars.
- 7 l. The holder of a distillery permit authorized under G.S. 18B-1105.
- 8 ...
- 9 (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine
- 10 permit authorizes (i) the retail sale of unfortified wine for consumption on the
- 11 premises, either alone or mixed with other beverages, (ii) the retail sale of
- 12 unfortified wine in the manufacturer's original container for consumption off
- 13 the premises, and (iii) the retail sale of unfortified wine dispensed from a tap
- 14 connected to a pressurized container utilizing carbon dioxide or similar gas
- 15 into a cleaned and sanitized container that is filled or refilled and sealed for
- 16 consumption off the premises and that identifies the permittee and the date the
- 17 container was filled or refilled. The permit also authorizes the permittee to
- 18 transfer unfortified wine, not more than four times per calendar year, to
- 19 another on-premises unfortified wine permittee that is under common
- 20 ownership or control as the transferor. Except as authorized by this
- 21 subdivision, transfers of wine by on-premises unfortified wine permittees,
- 22 purchases of wine by a retail permittee from another retail permittee for the
- 23 purpose of resale, and sale of wine by a retail permittee to another retail
- 24 permittee for the purpose of resale are unlawful. In addition, a particular brand
- 25 of wine may be transferred only if both the transferor and transferee are
- 26 located within the territory designated between the winery and the wholesaler
- 27 on file with the Commission. Prior to or contemporaneous with any such
- 28 transfer, the transferor shall notify each wholesaler who distributes the
- 29 transferred product of the transfer. The notice shall be in writing or verifiable
- 30 electronic format and shall identify the transferor and transferee, the date of
- 31 the transfer, quantity, and items transferred. The holder of the permit is
- 32 authorized to ship unfortified wine in closed containers to individual
- 33 purchasers inside and outside the State. Orders received by a winery by
- 34 telephone, Internet, mail, facsimile, or other off-premises means of
- 35 communication shall be shipped pursuant to a wine shipper permit and not
- 36 pursuant to this subdivision. The permit may be issued for any of the
- 37 following:
- 38 a. Restaurants.
- 39 b. Hotels.
- 40 c. Eating establishments.
- 41 d. Private clubs.
- 42 e. Convention centers.
- 43 f. Cooking schools.
- 44 g. Community theatres.
- 45 h. Wineries.
- 46 i. Wine producers.
- 47 j. Retail businesses.
- 48 k. Sports and entertainment venues.
- 49 l. ~~Private bars.~~ Bars.
- 50 m. The holder of a distillery permit authorized under G.S. 18B-1105.
- 51 n. Breweries.

1 Additionally, an on-premises unfortified wine permit authorizes a permittee
2 that is a restaurant, hotel, private club, bar, brewery, winery, or wine producer
3 to sell at retail single-serving unfortified wine drinks for consumption off the
4 premises, including delivery by the permittee or a delivery service permittee.
5 Single-serving unfortified wine drinks sold for consumption off the premises
6 must be sold with food and shall be packaged in a container with a secure lid
7 or cap and in a manner designed to prevent consumption without removal of
8 the lid or cap. The container shall be no greater than 24 fluid ounces.
9 Notwithstanding G.S. 20-138.7, the transportation of single-serving
10 unfortified wine drinks shall not be unlawful if the container continues to be
11 sealed and is in the passenger area of a motor vehicle. Notwithstanding
12 G.S. 18B-1010, the sale of more than two single-serving unfortified wine
13 drinks at one time shall not be unlawful if the single-serving unfortified wine
14 drinks are sold for delivery or consumption off the permittee's premises. No
15 single-serving unfortified wine by the drink ordered for off-premises
16 consumption shall be provided to any person other than the purchaser of the
17 single-serving unfortified wine drink, except that in the case of delivery, the
18 delivery service permittee through its employees or agents may provide the
19 single-serving unfortified wine drink to a person other than the purchaser if
20 the permittee or the permittee's employees or agents verify that the person is
21 over 21 years of age using age verification software requiring the recipient to
22 provide a form of photographic identification authorized in
23 G.S. 18B-302(d)(1).

24 ...

25 (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit
26 authorizes the retail sale of fortified wine for consumption on the premises,
27 either alone or mixed with other beverages, and the retail sale of fortified wine
28 in the manufacturer's original container for consumption off the premises. The
29 permit also authorizes the permittee to transfer fortified wine, not more than
30 four times per calendar year, to another on-premises fortified wine permittee
31 that is under common ownership or control as the transferor. Except as
32 authorized by this subdivision, transfers of wine by on-premises fortified wine
33 permittees, purchases of wine by a retail permittee from another retail
34 permittee for the purpose of resale, and sale of wine by a retail permittee to
35 another retail permittee for the purpose of resale are unlawful. In addition, a
36 particular brand of wine may be transferred only if both the transferor and
37 transferee are located within the territory designated between the winery and
38 the wholesaler on file with the Commission. Prior to or contemporaneous with
39 any such transfer, the transferor shall notify each wholesaler who distributes
40 the transferred product of the transfer. The notice shall be in writing or
41 verifiable electronic format and shall identify the transferor and transferee, the
42 date of the transfer, quantity, and items transferred. The holder of the permit
43 is authorized to ship fortified wine in closed containers to individual
44 purchasers inside and outside the State. Orders received by a winery by
45 telephone, Internet, mail, facsimile, or other off-premises means of
46 communication shall be shipped pursuant to a wine shipper permit and not
47 pursuant to this subdivision. The permit may be issued for any of the
48 following:

- 49 a. Restaurants.
- 50 b. Hotels.
- 51 c. Private clubs.

- 1 d. Community theatres.
- 2 e. Wineries.
- 3 f. Convention centers.
- 4 g. ~~Private bars.~~Bars.
- 5 h. The holder of a distillery permit authorized under G.S. 18B-1105.
- 6 i. Sports and entertainment venues.
- 7 j. Breweries.

8 Additionally, an on-premises fortified wine permit authorizes a permittee that
 9 is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail
 10 single-serving unfortified wine drinks for consumption off the premises,
 11 including delivery by the permittee or a delivery service permittee.
 12 Single-serving fortified wine drinks sold for consumption off the premises
 13 must be sold with food and shall be packaged in a container with a secure lid
 14 or cap and in a manner designed to prevent consumption without removal of
 15 the lid or cap. The container shall be no greater than 24 fluid ounces.
 16 Notwithstanding G.S. 20-138.7, the transportation of single-serving fortified
 17 wine drinks shall not be unlawful if the container continues to be sealed and
 18 is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010,
 19 the sale of more than two single-serving fortified wine drinks at one time shall
 20 not be unlawful if the single-serving fortified wine drinks are sold for delivery
 21 or consumption off the permittee's premises. No single-serving fortified wine
 22 by the drink ordered for off-premises consumption shall be provided to any
 23 person other than the purchaser of the single-serving fortified wine drink,
 24 except that in the case of delivery, the delivery service permittee through its
 25 employees or agents may provide the single-serving ufortified wine drink to a
 26 person other than the purchaser if the permittee or the permittee's employees
 27 or agents verify that the person is over 21 years of age using age verification
 28 software requiring the recipient to provide a form of photographic
 29 identification authorized in G.S. 18B-302(d)(1).

30 ...

31 (7) Brown-Bagging Permit. – A brown-bagging permit authorizes each individual
 32 patron of an establishment, with the permission of the permittee, to bring up
 33 to eight liters of fortified wine or spirituous liquor, or eight liters of the two
 34 combined, onto the premises and to consume those alcoholic beverages on the
 35 premises. The permit may be issued for any of the following:

- 36 a. Restaurants.
- 37 b. Hotels.
- 38 c. Private clubs.
- 39 d. Community theatres.
- 40 e. Congressionally chartered veterans organizations.
- 41 f. ~~Private bars.~~Bars.

42 (8) Special Occasion Permit. – A special occasion permit authorizes the host of a
 43 reception, party or other special occasion, with the permission of the
 44 permittee, to bring fortified wine and spirituous liquor onto the premises of
 45 the business and to serve the same to ~~his~~the permittee's guests. The permit
 46 may be issued for any of the following:

- 47 a. Restaurants.
- 48 b. Hotels.
- 49 c. Eating establishments.
- 50 d. Private clubs.
- 51 e. Convention centers.

- 1 f. ~~Private bars.~~Bars.
- 2 g. Sports and entertainment venues.
- 3 ...
- 4 (10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail
- 5 sale of mixed beverages for consumption on the premises. The permit also
- 6 authorizes a mixed beverages permittee to obtain an antique spirituous liquor
- 7 permit under subdivision (20) of this section and to use for culinary purposes
- 8 spirituous liquor lawfully purchased for use in mixed beverages. The permit
- 9 may be issued for any of the following:
- 10 a. Restaurants.
- 11 b. Hotels.
- 12 c. Private clubs.
- 13 d. Convention centers.
- 14 e. Community theatres.
- 15 f. Nonprofit organizations.
- 16 g. Political organizations.
- 17 h. Sports and entertainment venues.
- 18 i. ~~Private bars.~~Bars.
- 19 j. The holder of a distillery permit authorized under G.S. 18B-1105.
- 20 k. Breweries.
- 21 l. Wineries.

22 Additionally, a mixed beverages permit authorizes a permittee that is a
 23 restaurant, hotel, private club, bar, brewery, winery, or the holder of a
 24 distillery permit to sell at retail mixed beverages for consumption off the
 25 premises, including delivery by the permittee or a delivery service permittee.
 26 A mixed beverage sold for consumption off the premises must be sold with
 27 food and shall be packaged in a container with a secure lid or cap, including
 28 premixed cocktails in the manufacturer's original closed container, and in a
 29 manner designed to prevent consumption without removal of the lid or cap.
 30 The container shall be no greater than 24 fluid ounces. Notwithstanding
 31 G.S. 20-138.7, the transportation of a mixed beverage shall not be unlawful if
 32 the container continues to be sealed and is in the passenger area of a motor
 33 vehicle. Notwithstanding G.S. 18B-1010, the sale of more than one mixed
 34 beverage drink at one time shall not be unlawful if the mixed beverage drinks
 35 are sold for delivery or consumption off the permittee's premises. No mixed
 36 beverage ordered for off-premises consumption shall be provided to any
 37 person other than the purchaser of the mixed beverage, except that in the case
 38 of delivery, the delivery service permittee may provide the mixed beverage to
 39 a person other than the purchaser if the permittee verifies that the person is
 40 over 21 years of age using age verification software requiring the recipient to
 41 provide a form of photographic identification authorized in
 42 G.S. 18B-302(d)(1).

43"
 44 **SECTION 14.(b)** G.S. 130A-250(4a) reads as rewritten:
 45 "(4a) ~~Bars.~~Bars as defined in G.S. 130A-247(1)."

46
 47 **ESTABLISH MALT BEVERAGE SHOP PERMIT**

48 **SECTION 15.(a)** G.S. 18B-300.1(b) reads as rewritten:
 49 "(b) Definitions. – The following definitions apply in this section:
 50 (1) Customer. – A person who purchases an alcoholic beverage from a permittee
 51 that is in a social district.

- 1 (2) Non-permittee business. – A business that is located in a social district and
2 does not hold any ABC permit.
- 3 (3) Permittee. – An establishment holding any of the following permits issued by
4 the Commission:
 - 5 a. An on-premises malt beverage permit issued pursuant to
6 G.S. 18B-1001(1).
 - 7 b. An on-premises unfortified wine permit issued pursuant to
8 G.S. 18B-1001(3).
 - 9 c. An on-premises fortified wine permit issued pursuant to
10 G.S. 18B-1001(5).
 - 11 d. A mixed beverages permit issued pursuant to G.S. 18B-1001(10).
 - 12 e. A wine shop permit issued pursuant to G.S. 18B-1001(16).
 - 13 f. A distillery permit issued pursuant to G.S. 18B-1100(5).
 - 14 g. A malt beverage shop permit issued pursuant to G.S. 18B-1001(16a)."

15 **SECTION 15.(b)** G.S. 18B-902(d) is amended by adding a new subdivision to read:
16 "(52) Malt beverage shop permit – \$100.00."

17 **SECTION 15.(c)** G.S. 18B-903(b) reads as rewritten:

18 "(b) Renewal. – Application for renewal of an ABC permit shall be on a form provided by
19 the Commission. An application for renewal shall be accompanied by an application fee. The
20 application fee shall be the same amount as the initial fee set in G.S. 18B-902, except that the
21 renewal application fee for each wine shop permit or malt beverage shop permit shall be five
22 hundred dollars (\$500.00), and the renewal application fee for each mixed beverages permit and
23 each guest room cabinet permit shall be one thousand dollars (\$1,000). A renewal fee shall not
24 be refundable."

25 **SECTION 15.(d)** G.S. 18B-1001 is amended by adding a new subdivision to read:

26 "(16a) Malt Beverage Shop Permit. – A malt beverage shop permit authorizes (i) the
27 retail sale of malt beverages, unfortified wine, and fortified wine in the
28 manufacturer's original container for consumption off the premises, (ii) the
29 retail sale of malt beverages dispensed from a tap connected to a pressurized
30 container utilizing carbon dioxide or similar gas in a cleaned and sanitized
31 container that is filled or refilled and sealed for consumption off the premises
32 and that identifies the permittee and the date the container was filled or
33 refilled, and (iii) malt beverage tastings on the premises conducted and
34 supervised by the permittee in accordance with subdivision (18) of this
35 section. It also authorizes the holder of the permit to ship malt beverages,
36 unfortified wine, and fortified wine in closed containers to individual
37 purchasers inside and outside the State. The permit may be issued for retail
38 businesses whose primary purpose is selling malt beverages for consumption
39 off the premises and regularly and customarily educating consumers through
40 tastings, classes, and seminars about the selection, serving, and storing of malt
41 beverages. The holder of the permit is authorized to sell malt beverages for
42 consumption on the premises, provided that the sale of malt beverages,
43 combined, for consumption on the premises does not exceed forty percent
44 (40%) of the establishment's total sales for any 30-day period. The holder of
45 a malt beverage tasting permit not engaged in the preparation or sale of food
46 on the premises is not subject to Part 6 of Article 8 of Chapter 130A of the
47 General Statutes."

49 **ESTABLISH TWO NEW PERMITS AND REGULATE OUTSIDE ALCOHOL AT**
50 **ADULT LIVE ENTERTAINMENT BUSINESSES**

1 **SECTION 16.(a)** G.S. 18B-1001 is amended by adding two new subdivisions to
2 read:

3 "(24) Cotenant Permit. – A permit under this subdivision may be issued to a
4 restaurant that occupies the same building as another ABC permittee, provided
5 that the building has no other tenants and the building does not have a common
6 area that is open to the public but not part of the premises of one of the two
7 permittees. The permit authorizes the permittee to allow customers to bring
8 open containers of malt beverages, unfortified wine, fortified wine, or mixed
9 beverages from the premises of the other ABC permittee who occupies the
10 same building onto the premises of the permit holder.

11 (25) Bring Your Own Beverage Permit. – A permit issued under this subdivision
12 may be issued to an adult live entertainment business as defined in
13 G.S. 14-202.10. This permit authorizes the permittee to allow patrons to bring
14 closed containers of malt beverages and unfortified wine onto the premises
15 and consume the malt beverages and unfortified wine on the premises."

16 **SECTION 16.(b)** G.S. 18B-902(d) is amended by adding two new subdivisions to
17 read:

18 "(53) Cotenant permit – \$50.00.

19 (54) Bring your own beverage permit – \$100.00."

20 **SECTION 16.(c)** Article 3 of Chapter 18B of the General Statutes is amended by
21 adding a new section to read:

22 "§ 18B-301.1. Possession and consumption at adult live entertainment businesses.

23 It shall be unlawful to consume, or to allow the consumption of, alcoholic beverages at any
24 adult live entertainment business as defined in G.S. 14-202.10 except pursuant to one or more
25 permits allowing the sale or consumption of alcohol issued pursuant to this Chapter."

26 **SECTION 16.(d)** This section becomes effective July 1, 2024.

27

28 ESTABLISH MOBILE BAR SERVICES PERMIT

29 **SECTION 17.(a)** G.S. 18B-902(d) is amended by adding a new subdivision to read:

30 "(55) Mobile bar services permit – \$500.00."

31 **SECTION 17.(b)** G.S. 18B-1001 is amended by adding a new subdivision to read:

32 "(12a) Mobile Bar Services Permit. – A mobile bar services permit may be issued to
33 a business that provides bartending services for events. The permit authorizes
34 the permittee to bring malt beverages, unfortified wine, fortified wine, and
35 spirituous liquor onto the premises of a business that is not an ABC permittee
36 and to serve the alcoholic beverages to guests at the event. The permittee may
37 purchase malt beverages and unfortified wine from either a retailer or a
38 wholesaler. The permittee may purchase fortified wine from either an ABC
39 store or a wholesaler. The permittee shall purchase spirituous liquor from an
40 ABC store that is designated as a mixed beverage ABC store operated by any
41 local board operating in the same county where the permittee's principal office
42 is located. The permittee may not serve alcoholic beverages pursuant to a
43 mobile bar services permit on the premises of any location owned or possessed
44 by the permittee. The permittee shall notify the Commission, in writing, of the
45 location of any event where the permittee will serve alcoholic beverages not
46 less than one week before the event and shall have the permission of the owner
47 or possessor of the property on which the event is to be held. Any person
48 -serving alcoholic beverages at the event shall be at least 21 years of age.
49 Alcoholic beverages may be transported by the mobile bar services permit
50 holder to the premises of the event no earlier than 8:00 A.M. At the conclusion
51 of the event, all alcoholic beverages must be removed from the premises no

1 later than 12:00 noon of the following day. A limited special occasion permit
2 shall not be required for an event at which alcoholic beverages are exclusively
3 provided by the holder of a mobile bar services permit. The holder of a mobile
4 bar services permit may bring alcoholic beverages onto the premises and serve
5 the alcoholic beverages at an event regardless of whether there is a charge or
6 fee for guests to attend the event. This permit does not allow the retail sale of
7 individual alcoholic beverages to guests at an event."

8 **SECTION 17.(c)** G.S. 18B-804(b)(8), as amended by Section 1(b) of this act, reads
9 as rewritten:

10 "(8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar
11 services permittee for resale in mixed beverages, a charge of twenty dollars
12 (\$20.00) on each four liters and a proportional sum on lesser quantities. This
13 subdivision shall not apply to premixed cocktails sold to a mixed beverage
14 permittee in a closed package for resale in or from the closed package, and a
15 mixed beverages tax stamp shall not be required on these closed packages."

16 **SECTION 17.(d)** G.S. 18B-902(h) reads as rewritten:

17 "(h) Recycling Plan Required. – Each applicant for an on-premises malt beverage permit,
18 on-premises unfortified wine permit, on-premises fortified wine permit, or a mixed beverages
19 permit shall prepare and submit with the application a plan for the collection and recycling of all
20 recyclable beverage containers of all beverages to be sold at retail on the premises. Each applicant
21 for a mobile bar services permit shall prepare and submit with the application a plan for the
22 collection and recycling of all recyclable beverage containers of all beverages to be served at an
23 event pursuant to the permit. A permittee who is not able to find a recycler for its beverage
24 containers may apply to the Alcoholic Beverage Control Commission for a one-year stay of the
25 requirement to implement a recycling program in compliance with G.S. 18B-1006.1. The
26 application shall be made in a form specified by the Commission, shall detail the efforts made
27 by the permittee to provide for the collection and recycling of beverage containers, and shall
28 specify the impediments to implementation of a recycling plan. The Commission shall submit all
29 such applications to the Division of Environmental Assistance and Outreach of the Department
30 of Environmental Quality for review and certification. The Division of Environmental Assistance
31 and Outreach shall investigate each application and prepare a summary of its investigation and
32 shall submit the summary to the Commission along with a notation indicating certification or
33 denial of the application. A permittee whose application for a stay is certified by the Division of
34 Environmental Assistance and Outreach shall not be required to comply with the recycling
35 requirement of the alcoholic beverage laws and regulations during the one-year stay period so
36 certified."

37 **SECTION 17.(e)** G.S. 18B-903(b2) reads as rewritten:

38 "(b2) Recycling Plan Required. – Each person holding an on-premises malt beverage
39 permit, on-premises unfortified wine permit, on-premises fortified wine permit, or a mixed
40 beverages permit shall submit, along with the annual registration or renewal application, either a
41 current plan for the collection and recycling of all recyclable beverage containers of all beverages
42 sold at retail on the premises, or an application for a waiver pursuant to G.S. 18B-902(h). Each
43 person holding a mobile bar services permit shall submit, along with the annual renewal
44 application, either a current plan for the collection and recycling of all recyclable beverage
45 containers of all beverages to be served at an event pursuant to the permit, or an application for
46 a waiver pursuant to G.S. 18B-902(h)."

47 **SECTION 17.(f)** This section becomes effective July 1, 2024.

48 **COMMUNITY THEATRE CLARIFICATION**

49 **SECTION 18.** G.S. 18B-1000(1a) reads as rewritten:
50

1 "(1a) Community theatre. – An establishment owned and operated by a bona fide
2 nonprofit organization that is engaged solely in the business of sponsoring or
3 presenting amateur or professional ~~theatrical~~performing arts events to the
4 public. A permit issued for a community theatre is valid only during regularly
5 scheduled ~~theatrical~~performing arts events sponsored by such nonprofit
6 organization."
7

8 **REQUIRE ALCOHOL LAW ENFORCEMENT TO NOTIFY PERMIT HOLDER OF** 9 **VIOLATIONS**

10 **SECTION 19.(a)** G.S. 18B-502 is amended by adding a new subsection to read:

11 "(c) If any alcohol law enforcement agent or local ABC officer issues a citation to an
12 employee of a permitted establishment, who is not the named holder of an ABC permit for the
13 establishment, for conduct occurring on the premises of the establishment that is a violation of
14 this Chapter or Chapter 14 of the General Statutes, the alcohol law enforcement agent or local
15 ABC officer shall send notice by electronic means or certified mail to the holder of the permit
16 within five business days of the issuance of the citation. If the Commission receives a report from
17 a law enforcement agency other than the Division of Alcohol Law Enforcement of the
18 Department of Public Safety or a local ABC officer documenting violations of this Chapter or
19 Chapter 14 of the General Statutes for conduct occurring on the premises of a permitted
20 establishment, the Commission shall send notice of the alleged violation to the holder of the
21 permit within five business days of receipt of the law enforcement agency report. The written
22 notice shall identify the currently alleged violations and the involved employee. Nothing in this
23 subsection shall prevent or limit the Commission from taking any additional action warranted by
24 the circumstances of the violation."

25 **SECTION 19.(b)** This section becomes effective September 1, 2024, and applies to
26 violations occurring on or after that date.
27

28 **ESTABLISH DISTILLERY ESTATE DISTRICTS**

29 **SECTION 20.(a)** G.S. 18B-1006 is amended by adding a new subsection to read:

30 "(r) Distillery Estate Districts. –

31 (1) For purposes of this subsection, "distillery estate district" means a tract of real
32 property or multiple contiguous or adjacent tracts of real property, separated
33 only by a river, lake, or public or private road, on which a distillery holding a
34 permit under G.S. 18B-1105, a winery holding an unfortified winery permit
35 under G.S. 18B-1101, and at least three other establishments holding mixed
36 beverages permits are located. All of the real property, distillery, winery, and
37 establishments holding mixed beverage permits shall be under common
38 ownership and control. The premises of the distillery shall include all
39 buildings and facilities in which the distillery conducts activities authorized
40 by G.S. 18B-1105. For purposes of this subsection, "common ownership and
41 control" includes ownership or control by a parent or affiliate entity of the
42 distillery. A distillery or its parent or affiliate entity shall notify the
43 Commission of the boundaries of the real property comprising the distillery
44 estate district and provide to the Commission a list of the ABC permittees
45 under common ownership and control that are located in the distillery estate
46 district prior to engaging in activities authorized under this subsection.

47 (2) Notwithstanding any other provision of law, a mixed beverages permittee
48 located in a distillery estate district and under common ownership and control
49 with the distillery in the distillery estate district may sell spirituous liquor
50 produced at the distillery located in the distillery estate district in mixed
51 beverages as if it were being sold at the distillery. Spirituous liquor sold

1 pursuant to this subdivision shall be listed as a code item for sale in the State
2 but shall not be required to be sent to the State warehouse or be stamped with
3 a mixed beverages tax stamp.

4 (3) Notwithstanding any other provision of law, a distillery in a distillery estate
5 district may, without approval from the Commission, conduct consumer
6 tastings of spirituous liquor produced at the distillery subject to the
7 requirements of G.S. 18B-1114.7(b) anywhere in the distillery estate district,
8 including outdoors and on the premises of another ABC permittee located in
9 the distillery estate district.

10 (4) Notwithstanding any other provision of law, on- and off-premises unfortified
11 wine permittees located in a distillery estate district and under common
12 ownership and control with the distillery in the distillery estate district may
13 sell bottles of spirituous liquor produced at the distillery at retail for
14 consumption off the premises as if those bottles were being sold in the
15 distillery following a tour. Sales under this subdivision may occur between
16 the hours of 9:00 A.M. and 9:00 P.M. on Monday through Saturday of each
17 week, from 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M. to 9:00
18 P.M. on each of the following holidays that do not fall on a Sunday: New
19 Year's Day, Fourth of July, Labor Day and Thanksgiving Day. Spirituous
20 liquor sold under this subdivision shall (i) be listed as a code item for sale in
21 the State, (ii) be sold at the price set by the Commission for the code item
22 pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle any labeling
23 requirements set by law. The distillery shall be responsible for remitting to the
24 Department of Revenue the spirituous liquor excise tax pursuant to
25 G.S. 105-113.80 on bottles sold pursuant to this subdivision. The on- or
26 off-premises unfortified wine permittees shall be responsible for remitting to
27 the Department of Revenue the sales and use tax on bottles sold in those
28 establishments.

29 (5) No distillery, mixed beverages permittee, on-premises unfortified wine
30 permittee, or off-premises unfortified wine permittee shall be required to
31 obtain any additional permits to conduct the activities authorized by this
32 subsection.

33 (6) Nothing in this subsection shall be construed to limit or otherwise affect the
34 activities authorized by any permit held by an ABC permittee located in a
35 distillery estate district."

36 **SECTION 20.(b)** G.S. 18B-804(b1) reads as rewritten:

37 "(b1) Price of Spirituous Liquor Sold at ~~Distillery~~-Distillery or Distillery Estate District. –
38 When the holder of a distillery permit sells spirituous liquor distilled at the distillery pursuant to
39 G.S. 18B-1105(a)(4), or an on- or off-premises unfortified wine permittee sells spirituous liquor
40 in a distillery estate district, the retail price of the spirituous liquor shall be the uniform State
41 price set by subsection (a) of this section. However, the holder of the ~~distillery~~-permit shall not
42 be required to remit the components of the price set forth by subdivisions (2), (3), (5), (6), (6a),
43 (6b), and (7) of subsection (b) of this section."

44 **SECTION 20.(c)** G.S. 105-113.80(c) reads as rewritten:

45 "(c) Liquor. – An excise tax of thirty percent (30%) is levied on spirituous liquor and
46 antique spirituous liquor sold in ABC ~~stores and in stores~~, permitted ~~distilleries~~-distilleries, and
47 in establishments holding an on- or off-premises unfortified wine permit in a distillery estate
48 district pursuant to G.S. 18B-1006(r). Pursuant to G.S. 18B-804(b), the price of liquor on which
49 this tax is computed is the spirituous liquor or antique spirituous liquor seller's price plus (i) the
50 State ABC warehouse freight and bailment charges and (ii) a markup for local ABC boards,
51 unless otherwise specified by law."

1 SECTION 20.(d) This section becomes effective July 1, 2024.

2
3 **WHOLESALE DISTRIBUTION CENTERS**

4 SECTION 21.(a) G.S. 18B-1106 reads as rewritten:

5 **"§ 18B-1106. Authorization of wine importer permit.**

6 (a) Authorization. – The holder of a wine importer permit ~~may~~may do all of the
7 following:

- 8 (1) Import fortified and unfortified wines from outside the United States in closed
9 ~~e~~containers;containers.
10 (2) Store those ~~wines;~~wines.
11 (3) Sell those wines to wine wholesalers for purposes of resale.
12 (4) Receive fortified and unfortified wine into the State for storage, sale,
13 shipment, or transshipment to private or public entities or establishments of
14 other states or nations, subject to the laws thereof.

15 (b) Distribution Agreements. – Wine distribution agreements are governed by Article 12
16 of this Chapter.

17 (c) The holder of a wine importer permit may import and sell to wholesalers only wine
18 for which it is a primary American source of supply. To be considered a primary American source
19 of supply, a wine importer must establish that it has lawfully purchased the wine from the winery,
20 or from an agent of the winery, and by written contract or otherwise has been authorized by the
21 winery to distribute the wine to wholesalers in the United States."

22 SECTION 21.(b) G.S. 18B-1108 reads as rewritten:

23 **"§ 18B-1108. Authorization of malt beverages importer permit.**

24 The holder of a malt beverages importer permit ~~may~~may do all of the following:

- 25 (1) Import malt beverages from outside the United States in closed
26 ~~e~~containers;containers.
27 (2) Store those malt ~~beverages;~~beverages.
28 (3) Sell those malt beverages to malt beverage wholesalers for purposes of resale.
29 (4) Receive malt beverages into the State for storage, sale, shipment, or
30 transshipment to private or public entities or establishments of other states or
31 nations, subject to the laws thereof."

32 SECTION 21.(c) G.S. 18B-1119 reads as rewritten:

33 **"§ 18B-1119. Supplier's financial interest in wholesaler.**

34 (a) A supplier or an officer, director, employee or affiliate of a supplier may not acquire,
35 possess, or otherwise maintain an ownership interest in its wholesaler except as expressly
36 authorized by this Chapter.

37 (b) Repealed by Session Laws 2018-100, s. 7(b), effective June 26, 2018.

38 (c) A supplier or an officer, director, employee or affiliate of a supplier may have a
39 security interest in the inventory or property of its wholesaler to secure payment for such
40 inventory or other loans for other purposes.

41 (d) For purposes of this section, "supplier" means a manufacturer, bottler, importer, or
42 owner of one or more brands of malt beverages, unfortified wine, or fortified wine distributed by
43 its wholesaler. The term "supplier" does not include a wholesaler that meets either of the
44 following criteria:

- 45 (1) The wholesaler also possesses a wine importer permit or a malt beverages
46 importer permit and does not directly or through an affiliated entity also
47 possess a nonresident wine vendor permit or a nonresident malt beverages
48 vendor permit issued pursuant to this Chapter.
49 (2) The wholesaler is an importer in another state, provided such malt beverages,
50 unfortified wine, or fortified wine are transferred to it through an unaffiliated
51 and independent third party."

1 **SECTION 21.(d)** G.S. 18B-1105.1 reads as rewritten:

2 "**§ 18B-1105.1. Authorization of liquor importer/bottler permit.**

3 The holder of a liquor importer/bottler permit may:

4 ...

5 **(5)** Receive spirituous liquor in closed containers into the State for storage, sale,
6 shipment, and transshipment to the State warehouse or, subject to the laws of
7 other jurisdictions, to private or public agencies or establishments of other
8 states or nations."

9
10 **ESTABLISH CATAWBA INDIAN NATION TRIBAL ALCOHOLIC BEVERAGE**
11 **CONTROL COMMISSION**

12 **SECTION 22.(a)** G.S. 18B-109(b) reads as rewritten:

13 "(b) Armed Forces Installation and Indian Country Lands. – No person shall have malt
14 beverages or unfortified wine shipped directly from a point outside this State ~~to~~ to: (i) an
15 installation of the Armed Forces of the United States within this State if those alcoholic beverages
16 are for resale on the ~~installation or to installation;~~ (ii) the Eastern Band of Cherokee Indians for
17 resale on Indian Country lands within this State under the jurisdiction of the Eastern Band of
18 Cherokee ~~Indians-Indians;~~ or (iii) the Catawba Indian Nation for resale on Indian Country lands
19 within this State under the jurisdiction of the Catawba Indian Nation."

20 **SECTION 22.(b)** G.S. 18B-112, as amended by Section 3(b) of this act, reads as
21 rewritten:

22 "**§ 18B-112. Tribal alcoholic beverage control.**

23 (a) Application of This Chapter. – The Eastern Band of Cherokee Indians, a federally
24 recognized Indian tribe and sovereign nation, and the Catawba Indian Nation, a federally
25 recognized Indian tribe and sovereign nation, shall be exempt from the provisions of this Chapter,
26 except for those made applicable by this section. The Eastern Band of Cherokee Indians ~~tribe and~~
27 the Catawba Indian Nation shall adopt by ordinance the provisions of this Chapter which are
28 made applicable to ~~the each~~ tribe by this section, and such ordinance shall be approved by the
29 Secretary of the United States Department of the Interior and published in the Federal Register
30 accordingly. ~~The Eastern Band of Cherokee Indians~~ Each tribe shall hold lawful tribal elections
31 as set out in G.S. 18B-600(a), and if the result of such election authorizes the activity upon which
32 a vote was held, the activity shall be deemed authorized by this section. For the purposes of this
33 section, the tribal alcoholic beverage control commission shall possess the same powers and
34 authority conveyed upon the North Carolina Alcoholic Beverage Control Commission by any
35 section of this Chapter made applicable to the tribe by this section.

36 (b) Compliance Required. – The Eastern Band of Cherokee Indians and the Catawba
37 Indian Nation shall comply with the following provisions of this Chapter to the extent they apply
38 to or can be made applicable to ~~the each~~ tribe:

39 ...

40 **(8)** Article 11. – Commercial Activity, as clarified by the following:

41 a. The tribal alcoholic beverage control commission may issue
42 commercial activity permits to any qualifying applicant that
43 establishes a commercial business wholly on Indian Country lands and
44 shall have sole enforcement authority over any permittee receiving a
45 permit from the tribal alcoholic beverage control commission only to
46 the extent the regulated conduct occurs on Indian Country lands.

47 b. The Eastern Band of Cherokee Indians and the Catawba Indian Nation
48 shall recognize any permit issued by the North Carolina Alcoholic
49 Beverage Control Commission allowing commercial activity in the
50 same manner as if such permit was issued by the tribal alcoholic
51 beverage control commission. The North Carolina Alcoholic Beverage

1 Control Commission shall recognize any commercial activity permit
2 issued by the tribal alcoholic beverage commission in the same manner
3 as if the permit were issued by the North Carolina Alcoholic Beverage
4 Control Commission.

- 5 c. The North Carolina Alcoholic Beverage Control Commission shall
6 retain exclusive enforcement authority over all permits it issues to
7 commercial activity permittees for violations of its rules or this
8 Chapter.

9 Any provision of Articles 12 and 13 of this Chapter which has not been made applicable to
10 the Eastern Band of Cherokee Indians and the Catawba Indian Nation by this section shall act as
11 a bar to engaging in any activity authorized by that Article or section.

12 (b1) In accordance with G.S. 18B-1004(c), the Eastern Band of Cherokee Indians ~~tribe~~ and
13 the Catawba Indian Nation may adopt an ordinance allowing for the sale of malt beverages,
14 unfortified wine, fortified wine, and mixed beverages beginning at 10:00 A.M. on Sunday
15 pursuant to the licensed premises' permit issued under the authority of G.S. 18B-112(d).

16 ...

17 (c) Alcoholic Beverages Which May Be Sold. – No alcoholic beverage may be sold on
18 Indian Country lands under the jurisdiction of the Eastern Band of Cherokee Indians or the
19 Catawba Indian Nation pursuant to this section which has not been approved for sale in this State
20 by the North Carolina Alcoholic Beverage Control Commission.

21 (d) Establishment of a ~~Tribal Commission.~~ Commissions. – In accordance with the
22 provisions of 18 U.S.C. § 1161, the Eastern Band of Cherokee Indians ~~is~~ and the Catawba Indian
23 Nation are each authorized to establish a tribal alcoholic beverage control commission to regulate
24 the purchase, possession, consumption, sale, and delivery of alcoholic beverages on any land
25 designated as Indian Country pursuant to 18 U.S.C. § 1151 under the jurisdiction of the Eastern
26 Band of Cherokee Indians. ~~The Each~~ tribal commission shall have exclusive authority to issue
27 ABC permits to retail and commercial establishments located wholly on Indian Country lands
28 under the jurisdiction of the ~~Eastern Band of Cherokee Indians tribe~~ and to regulate the purchase,
29 possession, consumption, sale, and delivery of alcoholic beverages at permitted outlets and
30 premises. Permits issued by the tribal commission pursuant to this section shall be deemed issued
31 by the State for the purposes of sales and delivery of beer and wine by wholesalers to the retail
32 outlets located on Indian Country lands. The fees generated by the tribal alcoholic beverage
33 control commission for the issuance of retail permits may be retained by ~~the Eastern Band of~~
34 Cherokee Indians each tribe to offset costs of operating the tribal alcoholic beverage control
35 commission.

36 ...

37 (g) Discrimination. – The tribal alcoholic beverage control commission shall not
38 discriminate against non-Indians in the application of the tribal ABC law. Non-Indians shall be
39 entitled to apply for and receive ABC permits in the same manner as an Indian on Indian Country
40 lands under the jurisdiction of ~~the Eastern Band of Cherokee Indians each tribe.~~

41 (h) Resolution of Contested Cases. – If the tribal alcoholic beverage control commission
42 levies a fine or suspends or revokes a permit pursuant to the provisions of G.S. 18B-104 for a
43 violation of the provisions applicable to the Eastern Band of Cherokee Indians and the Catawba
44 Indian Nation in this section, the permittee shall have the right of appeal of an agency final
45 decision of the tribal commission to the tribal courts. Any further appeal shall be to the appellate
46 courts of the tribe. All fines paid to the tribal commission in satisfaction of any penalty assessed
47 by the tribal commission may be retained by the ~~Eastern Band of Cherokee Indians tribe~~ to offset
48 costs of operating the tribal alcoholic beverage control commission.

49 (i) Failure to Comply With Laws of This State. – If the Eastern Band of Cherokee Indians
50 or Catawba Indian Nation fails to adopt the provisions of this Chapter, made applicable to the
51 tribe by this section, by ordinance; fails to amend tribal ordinances to comply with amendments

1 to the provisions of this Chapter, made applicable to the tribe by this section, within six months
 2 of passage of such amendments; or fails to comply with the provisions of this Chapter, made
 3 applicable to the tribe by this section, as required by 18 U.S.C. § 1161, the North Carolina
 4 Alcoholic Beverage Control Commission is authorized to terminate and prohibit future delivery
 5 of any alcoholic beverages from any person to the tribal alcoholic beverage control commission
 6 until the ~~Eastern Band of Cherokee Indians~~ tribe complies with the provisions of this Chapter
 7 made applicable to the tribe by this section and 18 U.S.C. § 1161.

8 (j) Conflict of Laws. – If any provision of this section or its application conflicts with
 9 federal law, the conflict of laws shall be resolved in favor of the federal law unless compliance
 10 with the federal law abrogates a right reserved to the State under the Constitution of the United
 11 States."

12 **SECTION 22.(c)** G.S. 18B-203(a)(17) reads as rewritten:

13 "(17) Provide for the distribution of spirituous liquor ~~to~~ to: (i) installations of the
 14 Armed Forces of the United States within this State for resale on the
 15 installation and to installation; (ii) the Eastern Band of Cherokee Indians for
 16 resale on Indian Country lands within this State under the jurisdiction of the
 17 Eastern Band of Cherokee Indians-Indians; and (iii) to the Catawba Indian
 18 Nation for resale on Indian Country lands within the State under the
 19 jurisdiction of the Catawba Indian Nation."

21 CAP THE TAX ON QUALIFYING SPIRITUOUS LIQUOR PURCHASES

22 **SECTION 23.(a)** G.S. 105-164.27A is amended by adding a new subsection to read:

23 "(a4) Qualifying Spirituous Liquor. – A person who purchases qualifying spirituous liquor
 24 may apply to the Secretary for a direct pay permit for the purchase of qualifying spirituous liquor.
 25 A direct pay permit issued under this subsection authorizes its holder to purchase qualifying
 26 spirituous liquor without paying tax to the seller and authorizes the seller to not collect any tax
 27 on the qualifying spirituous liquor from the permit holder. A person who purchases qualifying
 28 spirituous liquor under a direct pay permit must file a return and pay the tax due to the Secretary
 29 in accordance with G.S. 105-164.16. A direct pay permit issued for qualifying spirituous liquor
 30 does not apply to any purchase other than the purchase of qualifying spirituous liquor. The
 31 maximum use tax on qualifying spirituous liquor is one thousand dollars (\$1,000). For purposes
 32 of this subsection, "qualifying spirituous liquor" is a single container of spirituous liquor, as
 33 defined in G.S. 18B-101, the purchase price of which is equal to or greater than fifty thousand
 34 dollars (\$50,000).

35 In lieu of selling under a direct pay permit pursuant to this subsection, a seller may voluntarily
 36 elect to collect and remit the maximum tax on qualifying spirituous liquor on behalf of the
 37 purchaser. Where the seller elects to collect and remit the maximum tax, an invoice given to the
 38 purchaser bearing the proper amount of tax on a retail transaction extinguishes the purchaser's
 39 liability for the tax on the transaction."

40 **SECTION 23.(b)** G.S. 105-113.81 reads as rewritten:

41 "**§ 105-113.81. Exemptions.**

42 ...

43 (f) Luxury Liquor. – A distillery is not required to remit excise taxes on spirituous liquor
 44 for which the purchase price for a single container is equal to or greater than fifty thousand dollars
 45 (\$50,000). However, the purchaser must remit use tax in accordance with
 46 G.S. 105-164.27A(a4)."

47 **SECTION 23.(c)** This section is effective January 1, 2025, and applies to purchases
 48 occurring on or after that date.

50 DIRECT ABC COMMISSION TO EXPAND PREMISES TO COVER CERTAIN 51 CONTIGUOUS PROPERTIES

1 **SECTION 24.** G.S. 18B-1006 is amended by adding a new subsection to read:
2 "(s) The Commission shall treat as a single premises two or more contiguous parcels with
3 different addresses if the parcels meet all of the following conditions:

- 4 (1) Each parcel is connected to one or more other parcels such that the parcels
5 share a single perimeter.
6 (2) The parcels are under common ownership or control, as evidenced by deed,
7 lease, or management agreement.
8 (3) Access between the buildings on the parcels is available to customers without
9 requiring customers to enter the public street or sidewalk."

10
11 **AUTHORIZE HOME MAKER ORGANIZATIONS TO GIVE SAMPLES AT EVENTS**

12 **SECTION 25.(a)** G.S. 18B-306 reads as rewritten:

13 **"§ 18B-306. Making wines and malt beverages for private use.**

14 (a) Authority. – An individual may make, possess, and transport wines and malt
15 beverages for the individual's own use, the use of the individual's family and guests, ~~or the use at~~
16 organized affairs, exhibitions, or ~~competitions.~~ competitions, or use at home maker special events
17 pursuant to G.S. 18B-1114.8. For purposes of this section, the term "organized affairs,
18 exhibitions, or competitions" includes ~~homemaker's~~ home maker's contests, tastings, and
19 judgings.

20 (b) Selling Prohibited. – Wines and malt beverages made pursuant to this section may
21 not be sold or offered for sale.

22 (c) Kits. – Wine kits and malt beverage kits may be sold in this State.

23 (d) Permit. – No ABC permit is required to make wines or malt beverages pursuant to
24 this section."

25 **SECTION 25.(b)** G.S. 18B-902(d) is amended by adding a new subdivision to read:

26 "(56) Home maker special event permit – \$50.00."

27 **SECTION 25.(c)** Article 11 of Chapter 18B of the General Statutes is amended by
28 adding a new section to read:

29 **"§ 18B-1114.8. Home maker special event permit.**

30 (a) Definitions. – For purposes of this section, the following definitions apply:

31 (1) Homemade product. – A malt beverage or wine produced pursuant to
32 G.S. 18B-306.

33 (2) Home maker club. – An organization devoted to malt beverages and wine
34 produced pursuant to G.S. 18B-306 that:

35 a. Has a defined membership with a stated common purpose.

36 b. Has a written policy for granting membership that includes a written
37 application submitted by each member, both of which may be
38 produced or maintained electronically.

39 c. Maintains a list of all active members and their addresses that is
40 present at all organized affairs of the club and is open to inspection by
41 alcohol law-enforcement agents upon request.

42 d. Holds a general liability insurance policy in the amount of at least one
43 million dollars (\$1,000,000). This requirement may be satisfied by
44 either an annual policy or a policy for a specific special event.

45 (b) A home maker club may obtain a home maker special event permit allowing the
46 permittee to give free tastings of homemade malt beverages and wines on the premises of retail
47 ABC permittees and at shopping malls, or at trade shows, conventions, street festivals, holiday
48 festivals, agricultural festivals, balloon races, farmers markets, local fundraisers, and other
49 similar events approved by the Commission. The permit shall be issued in the name of the home
50 maker club.

- 1 (c) Limitations on Consumer Tastings. – Any consumer tasting conducted pursuant to
2 this section is subject to the following limitations:
- 3 (1) Members of the permitted home maker club shall conduct the consumer
4 tasting and the permit holder shall be solely responsible for any violations of
5 this Chapter occurring in connection with the consumer tasting.
- 6 (2) At an event occurring on the premises of a retail ABC permittee, no
7 homemade products may be removed from or consumed outside of the retail
8 permittee's premises. The home maker club shall obtain written authorization
9 to conduct the consumer tasting at least 24 hours prior to conducting the
10 consumer tasting.
- 11 (3) At an event occurring at a trade show, convention, street festival, holiday
12 festival, agricultural festival, balloon race, farmers market, local fundraiser,
13 or other similar event approved by the Commission, no homemade products
14 may be removed from or consumed outside of a clearly marked and defined
15 area where consumption of homemade products is authorized.
- 16 (4) The permit holder shall provide to the Commission in advance of any
17 consumer tasting a list of homemade products offered at the consumer tastings
18 at least 24 hours before the start of the consumer tasting event. For a consumer
19 tasting occurring on the premises of a retail ABC permittee, the permit holder
20 shall also provide this list to the permittee.
- 21 (5) Homemade products shall be labeled with a label stating the maker's name
22 and telephone number, the alcohol content by volume, and the statement
23 "Homemade product for consumer tasting."
- 24 (6) Members of the permitted home maker club shall not offer tasting samples to,
25 or allow consumption of tasting samples by, any consumer who is visibly
26 intoxicated.
- 27 (7) Members of the permitted home maker club shall not offer tasting samples to,
28 or allow consumption of tasting samples by, any consumer under 21 years of
29 age. The person pouring the homemade products shall be responsible for
30 verifying the age of the consumer being served by checking the identification
31 of the consumer.
- 32 (8) Homemade products may be stored on permitted premises for no more than
33 48 hours prior to the consumer tasting. Homemade products shall be sealed
34 while being stored on permitted premises and segregated from other
35 commercial alcoholic beverages located on the premises. No homemade
36 product shall remain on the premises for more than 24 hours after the
37 conclusion of the consumer tasting.
- 38 (9) Each consumer shall be limited to six tasting samples containing 1 ounce of
39 any homemade product made available for sampling at the consumer tasting,
40 and the total amount of the tasting samples offered to and consumed by each
41 consumer shall not exceed 6 ounces in any calendar day.
- 42 (10) The permit holder or members of the permitted home maker club shall not
43 charge a consumer for any tasting sample or for entry to the consumer tasting.
- 44 (11) The permit holder shall maintain for a period of at least one year a record of
45 each consumer tasting conducted. The record shall include the date of the
46 consumer tasting, the time of the consumer tasting, an identification of the
47 venue at which the consumer tasting was held, an identification of the
48 homemade products that were provided for tasting at the consumer tasting,
49 and the name of any person who poured homemade products at the consumer
50 tasting. The permit holder shall allow the ABC Commission to inspect those
51 records at any time.

(12) Each consumer participating in a consumer tasting shall be required to provide his or her name, telephone number, email address, and the date of the consumer tasting."

SECTION 25.(d) This section becomes effective October 1, 2024.

ALLOW PRIVATE CLUB FRANCHISES TO RECEIVE ABC PERMITS IMMEDIATELY IF FRANCHISOR HAS BEEN IN OPERATION FOR AT LEAST 12 MONTHS

SECTION 26.(a) G.S. 18B-1000(5) reads as rewritten:

"(5) Private club. – An establishment that qualifies under Section 501(c) of the Internal Revenue Code, as amended, 26 U.S.C. § 501(c), and that has been in operation for a minimum of 12 months prior to application for an ABC permit. Provided, however, an establishment that (i) qualifies under Section 501(c) of the Internal Revenue Code, and (ii) is a franchisee of a franchisor that is permitted as a private club and has been in operation for a minimum of 12 months, shall not be required to have been in operation for a minimum of 12 months prior to application for an ABC permit."

SECTION 26.(b) This section is effective when it becomes law and applies to applications for permits received by the Commission on or after that date.

COMMON AREA ENTERTAINMENT PERMIT CLARIFYING CHANGE

SECTION 27. G.S. 18B-1001.5(d) reads as rewritten:

"(d) Designation of Areas Allowed for Consumption. – The owner or property owners' association of a multi-tenant establishment that holds a common area entertainment permit shall designate one or more areas as designated consumption areas. A designated consumption area may include the premises of any business that is open to customers, if the business chooses to allow outside alcoholic beverages on its premises during the days and hours set by the owner or property owners' association of the multi-tenant establishment pursuant to subsection (e) of this section. A permittee may be included in the designated consumption area even if it chooses to exclude open containers of alcoholic beverages purchased from other permittees. A designated consumption area may include privately maintained streets, parking spaces on privately maintained streets, sidewalks, and courtyards. Privately maintained streets and parking areas may be open to vehicular traffic during the dates and times when the designated consumption area is active. The boundaries of a designated consumption area must be marked in a way that clearly indicates to customers where the boundaries of the designated consumption area are located, such as with conspicuous signage, in the discretion of the owner or property owners' association. Vertical delineated boundaries shall not be required to indicate the boundaries of a designated consumption area. The owner or property owners' association of the multi-tenant establishment shall submit to the Commission for review and approval (i) a plat or site map of the multi-tenant establishment property with the designated consumption areas clearly marked or (ii) a detailed map of the relevant building or buildings on the multi-tenant establishment property with the designated consumption area clearly marked. The Commission shall reject any plat or map submitted under this subsection that does not meet the requirements of this section. The owner or property owners' association of the multi-tenant establishment shall submit a plat or map as required under this subsection for each renewal of the permit issued under this section and at least 10 days prior to making any adjustments to a designated consumption area. Only one common area entertainment permit shall be required at a multi-tenant establishment regardless of how many common areas are designated by the multi-tenant establishment as designated consumption areas, and all indoor and outdoor common areas designated by the multi-tenant establishment as designated consumption areas shall be covered by that permit. If there are adjacent indoor and outdoor common areas designated by the multi-tenant establishment as

1 designated consumption areas, they shall be deemed one single designated consumption area
2 such that a customer of an ABC permittee located in the multi-tenant establishment may
3 transition from the indoor common area to the adjacent outdoor common area or from the outdoor
4 common area to the adjacent indoor common area without disposing of the customer's alcoholic
5 beverage."
6

7 **ALLOW 90 DAYS FOR ALCOHOL SELLER/SERVER TRAINING PROVIDERS TO** 8 **UPDATE COURSES**

9 **SECTION 28.(a)** Definitions. – For purposes of this section, "Alcohol Seller/Server
10 Training Rule" means 14B NCAC 15B .0113(e) (Alcohol Seller/Server Training).

11 **SECTION 28.(b)** Alcohol Seller/Server Training Rule. – Until the effective date of
12 the revised permanent rule that the Alcoholic Beverage Control Commission is required to adopt
13 pursuant to subsection (d) of this section, the Commission shall implement the Alcohol
14 Seller/Server Training Rule as provided in subsection (c) of this section.

15 **SECTION 28.(c)** Implementation. – An approved course provider shall update their
16 responsible alcohol seller/server training course content within 90 days of notice from the
17 Commission to the course provider of changes needed in the alcohol education training
18 curriculum to reflect changes in current ABC laws or rules.

19 **SECTION 28.(d)** Additional Rulemaking Authority. – The Commission shall adopt
20 a rule to amend the Alcohol Seller/Server Training Rule consistent with subsection (c) of this
21 section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this
22 section shall be substantively identical to the provisions of subsection (c) of this section. Rules
23 adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the
24 General Statutes. Rules adopted pursuant to this section shall become effective as provided in
25 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in
26 G.S. 150B-21.3(b2).

27 **SECTION 28.(e)** Sunset. – This section expires when permanent rules adopted as
28 required by subsection (d) of this section become effective.
29

30 **ALLOW SALE OF BEER AND WINE AT COMMUNITY COLLEGE SPORTING** 31 **EVENTS**

32 **SECTION 29.** G.S. 18B-1006(a) reads as rewritten:

33 "(a) School and College Campuses. – No permit for the sale of alcoholic beverages shall
34 be issued to a business on the campus or property of a public school, college, or university. This
35 subsection shall not apply to the following:

36 ...

- 37 (10) A stadium, athletic facility, or arena on the campus or property of a public
38 college or university, if the Board of Trustees of the public college or
39 university has voted to allow the issuance of permits for use at that stadium,
40 athletic facility, or arena. If a Board of Trustees votes to allow the issuance of
41 permits in accordance with this subdivision, the Board of Trustees shall
42 provide written notice to the Commission that it has voted to allow the
43 issuance of permits. ~~For purposes of this subdivision, the term "public college~~
44 ~~or university" does not include a community college.~~ Any permit described in
45 G.S. 18B-1001, 18B-1002(a)(2), or 18B-1002(a)(5) may be issued pursuant
46 to this subdivision to applicants meeting the requirements for the requested
47 permit. Notwithstanding the issuance of a mixed beverages permit pursuant to
48 G.S. 18B-1001(10), this subdivision does not authorize the sale of mixed
49 beverages when the stadium, athletic facility, or arena is being used for a
50 sports event sponsored by the public college or university. This subdivision
51 does not apply to any sales authorized under subdivisions (1) through (8) of

1 this subsection. For purposes of this subdivision, the premises of a stadium,
 2 athletic facility, or arena shall include any area that meets all of the following
 3 requirements:

- 4 a. Is within 500 feet of the furthest exterior building wall, perimeter
 5 fence, or permanent fixed perimeter.
- 6 b. Is designated by the stadium, athletic facility, or arena in a map or
 7 written description that clearly defines the boundary of the area, and
 8 that map or written description is included in the permit application.
- 9 c. Can be designated in a manner that enables the stadium, athletic
 10 facility, or arena to ensure compliance with the provisions of this
 11 Chapter.

12 ~~(11) Notwithstanding subdivision (10) of this subsection, the sale of malt~~
 13 ~~beverages, unfortified wine, fortified wine, or mixed beverages for~~
 14 ~~consumption on the premises at a professional sporting event held at a stadium~~
 15 ~~owned by a community college that is located in a township that has~~
 16 ~~previously voted to allow the operation of ABC stores, if the Board of Trustees~~
 17 ~~of the community college has voted to allow the issuance of permits for use at~~
 18 ~~the stadium. If a Board of Trustees votes to allow the issuance of permits in~~
 19 ~~accordance with this subdivision, the Board of Trustees shall provide written~~
 20 ~~notice to the Commission that it has voted to allow the issuance of permits.~~
 21 ~~Any permit described in G.S. 18B 1001, 18B 1002(a)(2), or 18B 1002(a)(5)~~
 22 ~~may be issued pursuant to this subdivision to applicants meeting the~~
 23 ~~requirements for the requested permit. For purposes of this subdivision, the~~
 24 ~~premises of a stadium shall include any area that meets all of the following~~
 25 ~~requirements:~~

- 26 a. ~~Is within 500 feet of the furthest exterior building wall, perimeter~~
 27 ~~fence, or permanent fixed perimeter.~~
- 28 b. ~~Is designated by the stadium in a map or written description that~~
 29 ~~clearly defines the boundary of the area, and that map or written~~
 30 ~~description is included in the permit application.~~
- 31 e. ~~Can be designated in a manner that enables the stadium to ensure~~
 32 ~~compliance with the provisions of this Chapter."~~

34 **ALLOW A LOCAL BOARD TO CONTRACT WITH A THIRD-PARTY VENDOR TO**
 35 **TRANSPORT SPIRITUOUS LIQUOR FROM THE BOARD'S WAREHOUSE TO THE**
 36 **BOARD'S ABC STORES**

37 **SECTION 30.(a)** G.S. 18B-701 reads as rewritten:

38 **"§ 18B-701. Powers and duties of local ABC boards.**

39 (a) Powers. – A local board shall have authority to do all of the following:

- 40 (1) Buy, sell, transport, and possess alcoholic beverages as necessary for the
 41 operation of its ABC stores. In providing delivery of spirituous liquor to a
 42 mixed beverages permittee, as required by G.S. 18B-404(f), the local board
 43 may use its employees or contract with one or more independent contractors
 44 and may charge a fee to the permittee. A mixed beverage permittee may
 45 contract with an independent contractor to provide delivery of spirituous
 46 liquor from an ABC board's store or warehouse to the permittee's premises.

47 (1a) Contract with an independent contractor to provide delivery of its spirituous
 48 liquor from the local board's warehouse to the local board's ABC stores,
 49 provided all of the following conditions are met:

- 50 a. The local board enters into a written contract with the independent
 51 contractor.

- 1 b. The independent contractor furnishes proof to the local board that the
 2 independent contractor is a contract carrier with a surety bond in
 3 compliance with G.S. 18B-1115(d) and (e).
 4 c. The contract may be terminated at will by either party without cause.
 5 d. The independent contractor maintains in force an indemnity and
 6 fidelity insurance policy with the local board named as an additional
 7 insured in an amount sufficient to insure the value of the alcoholic
 8 beverages to be transported and delivered by the independent
 9 contractor on the behalf of the local board.
 10 e. The independent contractor contractually assumes liability for any
 11 damage, breakage, or theft of the spirituous liquor to be delivered from
 12 the time possession is taken by the independent contractor from the
 13 local board until delivery of the spirituous liquor to the ABC store is
 14 acknowledged in writing by the manager or an employee of that ABC
 15 store.

- 16 (2) Adopt rules for its ABC system, subject to the approval of the Commission.
 17 (3) Hire and fire employees for the ABC system.
 18 (4) Designate one employee as manager of the ABC system and determine his
 19 responsibilities.
 20 (5) Require bonds of employees as provided in the rules of the Commission.
 21 (6) Operate ABC stores as provided in Article 8.
 22 (7) Repealed by Session Laws 2022-44, s. 3(m), effective July 7, 2022.
 23 (8) Employ local ABC officers or make other provision for enforcement of ABC
 24 laws as provided in Article 5.
 25 (9) Borrow money as provided in G.S. 18B-702.
 26 (10) Buy and lease real and personal property, and receive property devised or
 27 given, as necessary for the operation of the ABC system.
 28 (11) Invest surplus funds as provided in G.S. 18B-702.
 29 (12) Dispose of property in the same manner as a city council may under Article
 30 12 of Chapter 160A of the General Statutes.
 31 (13) Perform any other activity authorized or required by the ABC law.

32 (b) Duties. – A local board shall have the duty to comply with all rules adopted by the
 33 Commission pursuant to this Chapter and meet all standards for performance and training
 34 established by the Commission pursuant to G.S. 18B-203(a)(20) and (21). Failure to comply with
 35 Commission rules shall be cause for removal.

36 (c) Definitions. – For purposes of this section, the term "contract carrier" means a person
 37 who provides transportation of goods, but not individuals, for compensation under contractual
 38 agreement(s), over regular or irregular routes, for a specific person or group of persons."

39 **SECTION 30.(b)** The ABC Commission shall amend its rules to replace the term
 40 "motor vehicle carrier" as used in 14B NCAC 15A .1903 for the delivery of mixed beverage
 41 permittee orders with the term "contract carrier." The Commission may further define by rule the
 42 term "contract carrier" as used in G.S. 18B-701(a)(1a), as enacted by subsection (a) of this
 43 section.
 44

45 **ALLOW POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES IN THE** 46 **SECURITY-SCREENED AREA OF AIRPORTS**

47 **SECTION 31.** Article 3 of Chapter 18B of the General Statutes is amended by adding
 48 a new section to read:

49 **"§ 18B-300.3. Possession and consumption of alcoholic beverages in the security-screened**
 50 **area of airports.**

1 (a) During the hours of airport operation, any establishment permitted under subdivision
2 (1), (3), (5), or (10) of G.S. 18B-1000 and operating in the Transportation Security
3 Administration-screened portion of an airport may, with the written approval of the airport
4 authority, sell the alcoholic beverages it is permitted to sell for consumption throughout the
5 Transportation Security Administration-screened portion of the establishment's respective airport
6 terminal.

7 (b) An alcoholic beverage served for consumption throughout an establishment's airport
8 terminal shall be served in a container that meets all of the following requirements:

9 (1) The container is not comprised of glass.

10 (2) The container displays, in no less than 12-point font, the statement, "Drink
11 Responsibly – Be 21."

12 (3) The container shall not hold more than 16 fluid ounces.

13 (c) A customer may purchase and consume alcoholic beverages throughout the interior
14 of the Transportation Security Administration-screened portion of the respective airport terminal,
15 provided that the purchase is from an approved establishment permitted under subdivision (1),
16 (3), (5), or (10) of G.S. 18B-1000.

17 (d) This section applies only to airports that service airplanes boarding at least 150,000
18 passengers annually."

20 **MODIFY TRADE PRACTICE LAWS**

21 **SECTION 32.(a)** G.S. 18B-1116 reads as rewritten:

22 **"§ 18B-1116. Exclusive outlets prohibited.**

23 (a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of any
24 alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or indirectly
25 ~~to~~ to do any of the following:

26 (1) Require that an alcoholic beverage retailer purchase any alcoholic beverages
27 from that person to the full or partial exclusion of any other alcoholic
28 beverages offered for sale by other persons in this State; ~~or~~ State.

29 (2) Have any direct or indirect financial interest in the business of any alcoholic
30 beverage retailer in this State or in the premises where the business of any
31 alcoholic beverage retailer in this State is ~~conducted; or~~ conducted.

32 (3) Lend or give to any alcoholic beverage retailer in this State or ~~his~~ the retailer's
33 employee or to the owner of the premises where the business of any alcoholic
34 beverage retailer in this State is conducted, any money, service, equipment,
35 furniture, fixtures or any other thing of value.

36 (4) Provide draft line cleaning services to an alcoholic beverage retailer unless the
37 retailer pays the fair market value for such services.

38 A brewery qualifying under subdivision (7) or (8) of G.S. 18B-1104(a) is not subject to the
39 provisions of this section concerning financial interests in, and lending or giving things of value
40 to, a wholesaler or retailer with respect to the brewery's transactions with the retail business on
41 its premises or other retail locations allowed under G.S. 18B-1104(a)(8). The brewery is subject
42 to the provisions of this subsection, however, with respect to its transactions with all other
43 wholesalers and retailers.

44 A distillery is not subject to the provisions of this section concerning financial interests in,
45 and lending or giving things of value to, a retailer with respect to the distillery's transactions with
46 the retail business allowed on its premises under G.S. 18B-1105(a)(4). The distillery is subject
47 to the provisions of this subsection, however, with respect to its transactions with all other
48 retailers.

49 (b) Exemptions. – The Commission may grant exemptions from the provisions of this
50 section. Any exemption entered by the Commission in which any brewery or any officer, director,
51 or affiliate of the brewery has a direct or indirect financial interest in the business of any retailer

beyond the number of additional retail locations authorized by G.S. 18B-1104 shall prohibit the brewery's malt beverages from being sold to or purchased by that retailer. In determining whether to grant an exemption, the Commission shall consider the public welfare, the quantity and value of articles involved, established trade customs not contrary to the public interest, and the purposes of this section.

(c) As used in this section, the phrase "giving things of value" shall not include the dividing or removing of individual containers of alcohol from larger packages of alcohol or the delivery of such to the retail permittee."

SECTION 32.(b) This section becomes effective January 1, 2025.

AMEND THE DEFINITION OF "SPORTS CLUB" TO INCLUDE PICKLEBALL

SECTION 33. G.S. 18B-1000(8) reads as rewritten:

"(8) Sports club. – An establishment that meets either of the following requirements:

- a. The establishment is substantially engaged in the business of providing equine boarding, training, and coaching services, and the establishment offers on-site dining, lodging, and meeting facilities and hosts horse trials and other events sanctioned or endorsed by the United States Equestrian Federation, Inc.; or
- b. The establishment is substantially engaged in the business of providing ~~an 18-hole golf course, two or more tennis courts, or both~~ any of the following:
 1. An 18-hole golf course.
 2. Two or more tennis courts.
 3. Four or more pickleball courts.

The sports club can either be open to the general public or to members and their guests. To qualify as a sports club, an establishment's gross receipts for club activities shall be greater than its gross receipts for alcoholic beverages. The premises of a sports club substantially engaged in the business of providing an 18-hole golf course shall include the parking lot and the playing area of the golf course, including the teeing areas, greens, fairways, roughs, hazards, and cart paths. This provision does not prohibit a sports club from operating a restaurant. Receipts for food shall be included in with the club activity fee."

PERMANENTLY ALLOW FIFTEEN YEAR OLDS TO WORK IN ABC-PERMITTED ESTABLISHMENTS

SECTION 34. G.S. 95-25.5(j) reads as rewritten:

"(j) No person who holds any ABC permit issued pursuant to the provisions of Chapter 18B of the General Statutes for the on-premises sale or consumption of alcoholic beverages, including any mixed beverages, shall employ a youth:

- (1) Under ~~16-15~~ years of age on the premises for any purpose, unless the youth is at least 14 years of age and each of the following conditions is met:
 - a. The person obtains the written consent of a parent or guardian of the youth.
 - b. The youth is employed to work on the outside grounds of the premises for a purpose that does not involve the preparation, serving, dispensing, or sale of alcoholic beverages.
- (2) Under 18 years of age to prepare, serve, dispense or sell any alcoholic beverages, including mixed beverages, except for sale of alcoholic beverages at the point-of-sale for only off-premises consumption."

1
2 **CLARIFY DUE DATE OF RETURNS/TAX AND CLARIFY WHEN EXCISE TAXES**
3 **FOR ALCOHOLIC BEVERAGES MUST BE PAID**

4 **SECTION 35.** G.S. 105-113.83 reads as rewritten:

5 **"§ 105-113.83. Payment and reporting of excise taxes.**

6 (a) Filing Periods. – The excise tax imposed by this Article is payable when a report is
7 due. A report is due annually or monthly, as specified in this section, and must be filed regardless
8 of whether alcoholic beverages were sold or otherwise disposed of in this State. A report covers
9 liabilities that accrue in the reporting period. Liabilities accrue in the reporting period in which
10 the alcoholic beverage is first sold or otherwise disposed of in this State. A return must be in the
11 form prescribed by, and contain information required by, the Secretary.

12 (a1) Liquor. – The excise tax on liquor levied under G.S. 105-113.80(c) is payable
13 monthly by the local ABC board and by a ~~distillery permittee to the Secretary. The tax shall be~~
14 ~~paid distillery.~~ The local ABC board and distillery must file a monthly report, and the report is
15 due on or before the 15th-fifteenth day of the month following the month ~~in which the tax was~~
16 ~~collected.~~covered by the report.

17 (b) Malt Beverage and Wine. – The excise taxes on malt beverages and wine levied under
18 G.S. 105-113.80(a) and (b), respectively, are payable ~~to the Secretary~~ by the resident wholesaler
19 or importer who first handles the beverages in this State. The taxes on malt beverages and wine
20 are payable only once on the same beverages. ~~Unless otherwise provided, the tax is~~ The
21 wholesaler or importer must file a monthly report, and the report is due on or before the ~~15th~~
22 fifteenth day of the month following the month ~~in which the beverage is first sold or otherwise~~
23 ~~disposed of in this State by the wholesaler or importer. When excise taxes are paid on wine or~~
24 ~~malt beverages, the wholesaler or importer must submit to the Secretary verified reports on forms~~
25 ~~provided by the Secretary detailing~~ covered by the report. The report must include the sales
26 records for the month for which the taxes are paid. The report must ~~paid,~~ indicate the amount of
27 excise tax due, ~~contain the information required by the Secretary,~~ and indicate separately any
28 transactions to which the excise tax does not apply.

29 (b1) Brewery and Winery Option. – A brewery or winery may be relieved of paying the
30 tax levied under G.S. 105-113.80(a) and (b) if all of the following apply:

- 31 (1) The brewery or winery holds a permit issued under G.S. 18B-1101, 18B-1102,
32 or 18B-1104.
- 33 (2) The brewery or winery transfers malt beverages or wine to a wholesaler
34 permitted under G.S. 18B-1107 or G.S. 18B-1109.
- 35 (3) The wholesaler agrees in writing to be responsible for the tax due on the
36 transferred malt beverages or ~~wine~~ wine and provides the Secretary a copy of
37 the agreement upon request.
- 38 (4) The brewery or winery files a monthly report ~~when the tax would otherwise~~
39 ~~be due~~ reporting the transfer of malt beverages or wine to the wholesaler.

40 (b2) Backup Tax Liability. – If a brewery or winery is relieved of paying the excise tax as
41 provided under subsection (b1) of this section, the wholesaler receiving the malt beverages or
42 wine is liable for any tax due under this section.

43 (b3) Wine Shipper Permittee. – A wine shipper permittee must pay the excise tax levied
44 under G.S. 105-113.80(b) on wine shipped directly to consumers in this State pursuant to
45 G.S. 18B-1001.1. A wine shipper permittee must ~~submit verified~~ file reports once a year ~~on forms~~
46 ~~provided by the Secretary~~ detailing sales records for the year taxes are paid. The ~~verified~~ report
47 is due on or before the fifteenth day of the first month of the following calendar year.

48 (c) Railroad Sales. – Each person operating a railroad train in this State on which
49 alcoholic beverages are sold must ~~submit~~ file monthly reports of the amount of alcoholic
50 beverages sold in this ~~State and must remit the applicable excise tax due on the sale of these~~
51 ~~beverages when the report is submitted.~~ State. The report is due on or before the ~~15th~~ fifteenth

1 day of the month following the month in which the beverages are sold. The report must be made
2 on a form prescribed by the Secretary covered by the report."
3

4 CIGAR BAR AMENDMENTS

5 SECTION 36.(a) G.S. 18B-901 reads as rewritten:

6 "§ 18B-901. Issuance of permits.

7 ...

8 (c) Factors in Issuing Permit. – Before issuing a permit, the Commission shall be satisfied
9 that the applicant is a suitable person to hold an ABC permit and that the location is a suitable
10 place to hold the permit for which the applicant has applied. To be a suitable place, the local
11 governing body shall return a Zoning and Compliance Form to the Commission on a form
12 provided by the Commission to show the establishment is in compliance with all applicable
13 building and fire codes and, if applicable, has been notified that it is located in an Urban
14 Redevelopment Area as defined by Article 22 of Chapter 160A of the General Statutes and as
15 required by G.S. 18B-904(e)(2). Other factors the Commission shall consider in determining
16 whether the applicant and the business location are suitable are all of the following:

- 17 (1) The reputation, character, and criminal record of the applicant.
- 18 (2) through (5) Repealed by Session Laws 2019-49, s. 3, effective June 26, 2019.
- 19 (6) Zoning laws, the number of places already holding ABC permits within the
20 neighborhood, parking facilities and traffic conditions in the neighborhood,
21 types of businesses already in the neighborhood, and whether the
22 establishment is located within 50 feet of a church, public school, or any
23 nonpublic school as defined in Part 1 or Part 2 of Article 39 of Chapter 115C
24 of the General Statutes.
- 25 (7) The recommendations of the local governing body.
- 26 (8) Any other evidence that would tend to show whether the applicant would
27 comply with the ABC laws.
- 28 (9) Whether the operation of the applicant's business at that location would be
29 detrimental to the neighborhood, including evidence admissible under
30 G.S. 150B-29(a) of any of the following:
 - 31 a. Past revocations, suspensions, and violations of ABC laws by prior
32 permittees related to or associated with the applicant, or a business
33 with which the applicant is associated, within the immediate preceding
34 12-month period at this location.
 - 35 b. Evidence of illegal drug activity on or about the licensed premises.
 - 36 c. Evidence of fighting, disorderly conduct, and other dangerous
37 activities on or about the licensed premises.

38 (c1) Limitation on Commission's Discretion. – The Commission's discretion whether to
39 issue a permit to a cigar bar is limited to the factors in this Chapter. The Commission shall not
40 consider whether the cigar bar may allow smoking indoors pursuant to G.S. 130A-496 in
41 deciding whether to issue the cigar bar a permit.

42 (d) Commission's Authority. – The Commission shall have the sole power, in its
43 discretion, to determine the suitability and qualifications of an applicant for a permit. The
44 Commission shall also have the authority to determine the suitability of the location to which the
45 permit may be issued."

46 SECTION 36.(b) G.S. 130A-496 reads as rewritten:

47 "§ 130A-496. Smoking prohibited in restaurants and bars.

48 (a) Notwithstanding Article 64 of Chapter 143 of the General Statutes, smoking is
49 prohibited in all enclosed areas of restaurants and bars, except as provided in subsection (b) of
50 this section.

51 (b) Smoking may be permitted in the following places:

- 1 (1) A designated smoking guest room in a lodging establishment. No greater than
2 twenty percent (20%) of a lodging establishment's guest rooms may be
3 designated smoking guest rooms.
- 4 (2) A cigar bar if smoke from the cigar bar does not migrate into an enclosed area
5 where smoking is prohibited pursuant to this Article. A cigar bar that begins
6 operation after July 1, 2009, and that serves prepared food, may only allow
7 smoking if it is located in a freestanding structure occupied solely by the cigar
8 bar and smoke from the cigar bar does not migrate into an enclosed area where
9 smoking is prohibited pursuant to this Article. A cigar bar that does not serve
10 prepared food, as defined in G.S. 105-164.4L, shall not be required to be
11 located in a freestanding structure occupied solely by the cigar bar, provided
12 smoke from the cigar bar does not migrate into an enclosed area where
13 smoking is prohibited pursuant to this Article, whether or not located in the
14 same structure. To qualify under this subsection, the cigar bar must
15 satisfactorily report on a quarterly basis to the Department, on a form
16 prescribed by the Department, the revenue generated from the sale of
17 alcoholic beverages and cigars as a percentage of quarterly gross revenue. The
18 Department shall determine whether any additional documentation is required
19 of the cigar bar to authenticate or verify revenue data submitted by the cigar
20 bar. This subdivision shall not apply to any business that is established for the
21 purpose of avoiding compliance with this Article.
- 22 (3) A private club."

23 **SECTION 36.(c)** G.S. 130A-498(b1) reads as rewritten:

24 "(b1) A local ordinance or other rules, laws, or policies adopted under this section may not
25 restrict or prohibit smoking in the following places:

- 26 (1) A private residence.
- 27 (2) A private vehicle.
- 28 (3) A tobacco shop if smoke from the business does not migrate into an enclosed
29 area where smoking is prohibited pursuant to this Article. A tobacco shop that
30 begins operation after July 1, 2009, may only allow smoking if it is located in
31 a freestanding structure occupied solely by the tobacco shop and smoke from
32 the shop does not migrate into an enclosed area where smoking is prohibited
33 pursuant to this Article.
- 34 (4) All of the premises, facilities, and vehicles owned, operated, or leased by any
35 tobacco products processor or manufacturer, or any tobacco leaf grower,
36 processor, or dealer.
- 37 (5) A designated smoking guest room in a lodging establishment. No greater than
38 twenty percent (20%) of a lodging establishment's guest rooms may be
39 designated smoking guest rooms.
- 40 (6) A cigar bar if smoke from the cigar bar does not migrate into an enclosed area
41 where smoking is prohibited pursuant to this Article. A cigar bar that begins
42 operation after July 1, 2009, may only allow smoking if it is located in a
43 freestanding structure occupied solely by the cigar bar and smoke from the
44 cigar bar does not migrate into an enclosed area where smoking is prohibited
45 pursuant to this Article. A cigar bar that does not serve prepared food, as
46 defined in G.S. 105-164.4L, shall not be required to be located in a
47 freestanding structure occupied solely by the cigar bar, provided smoke from
48 the cigar bar does not migrate into an enclosed area where smoking is
49 prohibited pursuant to this Article, whether or not located in the same
50 structure. To qualify under this subsection, the cigar bar must satisfactorily
51 report on a quarterly basis to the Department, on a form prescribed by the

1 Department, the revenue generated from the sale of alcoholic beverages and
 2 cigars as a percentage of quarterly gross revenue. The Department shall
 3 determine whether any additional documentation is required of the cigar bar
 4 to authenticate or verify revenue data submitted by the cigar bar. This
 5 subdivision shall not apply to any business that is established for the purpose
 6 of avoiding compliance with this Article.

7 (7) A private club.

8 (8) A motion picture, television, theater, or other live production set. This
 9 exemption applies only to the actor or performer portraying the use of tobacco
 10 products during the production."
 11

12 ALLOW ATMS IN ABC STORES

13 **SECTION 37.(a)** G.S. 18B-701(a) reads as rewritten:

14 "(a) Powers. – A local board shall have authority to do all of the following:

15 (1) Buy, sell, transport, and possess alcoholic beverages as necessary for the
 16 operation of its ABC stores. In providing delivery of spirituous liquor to a
 17 mixed beverages permittee, as required by G.S. 18B-404(f), the local board
 18 may use its employees or contract with one or more independent contractors
 19 and may charge a fee to the permittee. A mixed beverage permittee may
 20 contract with an independent contractor to provide delivery of spirituous
 21 liquor from an ABC board's store or warehouse to the permittee's premises.

22 (2) Adopt rules for its ABC system, subject to the approval of the Commission.

23 (3) Hire and fire employees for the ABC system.

24 (4) Designate one employee as manager of the ABC system and determine his
 25 responsibilities.

26 (5) Require bonds of employees as provided in the rules of the Commission.

27 (6) Operate ABC stores as provided in Article 8.

28 (6a) Contract with a third party to make an ATM available in one or more ABC
 29 stores operated by the board.

30 (7) Repealed by Session Laws 2022-44, s. 3(m), effective July 7, 2022.

31 (8) Employ local ABC officers or make other provision for enforcement of ABC
 32 laws as provided in Article 5.

33 (9) Borrow money as provided in G.S. 18B-702.

34 (10) Buy and lease real and personal property, and receive property devised or
 35 given, as necessary for the operation of the ABC system.

36 (11) Invest surplus funds as provided in G.S. 18B-702.

37 (12) Dispose of property in the same manner as a city council may under Article
 38 12 of Chapter 160A of the General Statutes.

39 (13) Perform any other activity authorized or required by the ABC law."

40 **SECTION 37.(b)** G.S. 18B-800 is amended by adding a new subsection to read:

41 "(c5) ATM in Store. – ABC stores may make an ATM available to customers if approved
 42 by the local board."
 43

44 SEVERABILITY CLAUSE AND EFFECTIVE DATE

45 **SECTION 38.(a)** If any provision of this act or the application thereof to any person
 46 or circumstances is held invalid, such invalidity shall not affect other provisions or applications
 47 of this act that can be given effect without the invalid provision or application and, to this end,
 48 the provisions of this act are declared to be severable.

49 **SECTION 38.(b)** Except as otherwise provided, this act is effective when it becomes
 50 law.