

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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**HOUSE BILL 1595
Committee Substitute Favorable 5/20/09
Committee Substitute #2 Favorable 6/3/09
PROPOSED SENATE COMMITTEE SUBSTITUTE H1595-PCS80482-RLf-58**

Short Title: Malt Beverage Special Permit.

(Public)

Sponsors:

Referred to:

May 6, 2009

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE NORTH CAROLINA ALCOHOLIC BEVERAGE
2 CONTROL COMMISSION TO ISSUE MALT BEVERAGE SPECIAL EVENT
3 PERMITS AND MALT BEVERAGE TASTING PERMITS IN THE SAME OR SIMILAR
4 MANNER AS WINE.
5

6 Whereas, in 2001 the North Carolina General Assembly approved wine tasting
7 permits and winery special event permits and affirmed and clarified these permits in 2005; and

8 Whereas, North Carolina's wineries have blossomed into a \$1,000,000,000 industry
9 in North Carolina creating jobs and furthering North Carolina's visibility as a tourism
10 destination; and

11 Whereas, North Carolina wineries have helped transform communities and served
12 as an economic engine; and

13 Whereas, North Carolina's craft brewers also are a growing industry in North
14 Carolina with more than 20 craft breweries located in North Carolina; and

15 Whereas, North Carolina's craft brewers also could serve as an economic engine
16 throughout North Carolina and create jobs and serve as a tourist draw; and

17 Whereas, North Carolina is now being recognized as a highly respected state for
18 specialty malt beverages; and

19 Whereas, the creation of a malt beverage special event permit and a malt beverage
20 tasting permit will help grow this industry in a similar fashion as similar actions taken by the
21 North Carolina General Assembly have helped grow North Carolina's wine industry; and

22 Whereas, the North Carolina General Assembly reaffirms its support of State-based
23 alcohol regulation and the three-tier distribution of wine and malt beverages; Now, therefore,
24 The General Assembly of North Carolina enacts:

25 **SECTION 1.** G.S. 18B-902(d) reads as rewritten:

26 "(d) Fees. – An application for an ABC permit shall be accompanied by payment of the
27 following application fee:

- 28 (1) On-premises malt beverage permit – \$400.00.
29 (2) Off-premises malt beverage permit – \$400.00.
30 (3) On-premises unfortified wine permit – \$400.00.
31 (4) Off-premises unfortified wine permit – \$400.00.
32 (5) On-premises fortified wine permit – \$400.00.



- 1 (6) Off-premises fortified wine permit – \$400.00.
- 2 (7) Brown-bagging permit – \$400.00, unless the application is for a restaurant
- 3 seating less than 50, in which case the fee shall be \$200.00.
- 4 (8) Special occasion permit – \$400.00.
- 5 (9) Limited special occasion permit – \$50.00.
- 6 (10) Mixed beverages permit – \$1,000.
- 7 (11) Culinary permit – \$200.00.
- 8 (12) Unfortified winery permit – \$300.00.
- 9 (13) Fortified winery permit – \$300.00.
- 10 (14) Limited winery permit – \$300.00.
- 11 (15) Brewery permit – \$300.00.
- 12 (16) Distillery permit – \$300.00.
- 13 (17) Fuel alcohol permit – \$100.00.
- 14 (18) Wine importer permit – \$300.00.
- 15 (19) Wine wholesaler permit – \$300.00.
- 16 (20) Malt beverage importer permit – \$300.00.
- 17 (21) Malt beverage wholesaler permit – \$300.00.
- 18 (22) Bottler permit – \$300.00.
- 19 (23) Salesman permit – \$100.00.
- 20 (24) Vendor representative permit – \$50.00.
- 21 (25) Nonresident malt beverage vendor permit – \$100.00.
- 22 (26) Nonresident wine vendor permit – \$100.00.
- 23 (27) Any special one-time permit under G.S. 18B-1002 – \$50.00.
- 24 (28) Winery special event permit – \$200.00.
- 25 (29) Mixed beverages catering permit – \$200.00.
- 26 (30) Guest room cabinet permit – \$1,000.
- 27 (31) Liquor importer/bottler permit – \$500.00.
- 28 (32) Cider and vinegar manufacturer permit – \$200.00.
- 29 (33) Brew on premises permit – \$400.00.
- 30 (34) Wine producer permit – \$300.00.
- 31 (35) Wine tasting permit – \$100.00.
- 32 (36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and
- 33 applicable to wine shipper permit applications submitted on or after that
- 34 date.
- 35 (37) Wine shop permit – \$100.00.
- 36 (38) Winemaking on premises permit – \$400.00.
- 37 (39) Wine shipper packager permit – \$100.00.
- 38 (40) Malt beverage special event permit – \$200.00.
- 39 (41) Malt beverage tasting permit – \$100.00."
- 40 **SECTION 2.** G.S. 18B-1001 is amended by adding a new subdivision to read:
- 41 "(18) Malt Beverage Tasting Permit. – A malt beverage tasting permit authorizes
- 42 malt beverage tastings on a premises holding a retail permit by the retail
- 43 permit holder or his employee. A representative of the brewery whose
- 44 beverages are being featured at the tasting shall be present at the tasting
- 45 unless the wholesaler or a wholesaler's employee determines that no
- 46 representative of the brewery needs to be present. A malt beverage tasting
- 47 consists of the offering of a sample of one or more malt beverage products,
- 48 in amounts of no more than two ounces for each sample, without charge, to
- 49 customers of the business. Any persons pouring malt beverage at a malt
- 50 beverage tasting shall be at least 21 years of age.

- 1 a. Representatives of the brewery which produced the malt beverage, a
 2 wholesaler, or a wholesaler's employee may assist with the tasting.
 3 Assisting with a malt beverage tasting includes:
 4 1. Pouring samples for customers.
 5 2. Checking the identification of patrons being served at the
 6 malt beverage tasting.
 7 b. When a representative of the brewery that produced the malt
 8 beverage, a malt beverage wholesaler, or a malt beverage
 9 wholesaler's employee assists in a malt beverage tasting conducted
 10 by a retail permit holder:
 11 1. The retail permit holder shall designate an employee to
 12 actively supervise the malt beverage tasting.
 13 2. A retail permit holder's employee shall not supervise more
 14 than three malt beverage tasting areas.
 15 3. No more than four malt beverages may be tasted at any one
 16 tasting area.
 17 4. The malt beverage tasting shall not last longer than four hours
 18 from the time designated as the starting time by the retail
 19 permit holder.
 20 c. The retail permit holder shall be solely liable for any violations of
 21 this Chapter occurring in connection with the malt beverage tasting.
 22 The Commission shall adopt rules to assure that the tastings are
 23 limited to samplings and not a subterfuge for the unlawful sale or
 24 distribution of malt beverages, and that the tastings are not used by
 25 industry members for unlawful inducements to retail permit holders.
 26 Except for purposes of this subdivision, the holder of a malt beverage
 27 tasting permit shall not be construed to hold a permit for the
 28 on-premises sale or consumption of alcoholic beverages. Any food
 29 business is eligible for a malt beverage tasting permit."

30 **SECTION 3.** G.S. 18B-1100 reads as rewritten:

31 "**§ 18B-1100. Commercial permits.**

32 The Commission may issue the following commercial permits:

- 33 (1) Unfortified winery
 34 (2) Fortified winery
 35 (3) Limited winery
 36 (4) Brewery
 37 (5) Distillery
 38 (6) Fuel alcohol
 39 (7) Wine importer
 40 (8) Wine wholesaler
 41 (9) Malt beverages importer
 42 (10) Malt beverages wholesaler
 43 (11) Bottler
 44 (12) Salesman
 45 (13) Vendor representative
 46 (14) Nonresident malt beverage vendor
 47 (15) Nonresident wine vendor
 48 (16) Winery special show
 49 (17) Liquor importer/bottler permit
 50 (18) Cider and vinegar ~~manufacturer~~ manufacturer
 51 (19) Wine producer ~~permit~~ permit

1 (20) Malt beverage special event permit."

2 **SECTION 4.** Article 11 of Chapter 18B of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 18B-1114.5. Authorization of malt beverage special event permit.**

5 (a) Authorization. – The holder of a brewery, malt beverage importer, or nonresident
6 malt beverage vendor permit may obtain a malt beverage special event permit allowing the
7 permittee to give free tastings of its malt beverages and to sell its malt beverages by the glass or
8 in closed containers at trade shows, conventions, shopping malls, malt beverage festivals, street
9 festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other
10 similar events approved by the Commission. Except for a brewery operating under the
11 provisions of G.S. 18B-1104(7), all malt beverages sampled or sold pursuant to this section
12 must be purchased from a licensed malt beverages wholesaler.

13 (b) Limitation. – A malt beverage special event permit is valid only in a jurisdiction that
14 has approved the establishment of ABC stores or has approved the sale of malt beverages. A
15 malt beverage special event shall not be used as subterfuge for malt beverages suppliers to ship
16 directly to retail permittees unless otherwise authorized by law."

17 **SECTION 5.** This act becomes effective October 1, 2009.