

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H.B. 642
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40381-ML-155A (03/21)

Short Title: Brewery/Sales at Brewery & Retail Locations. (Public)

Sponsors: Representatives Hardister, Bradford, Malone, and Harrison (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE NUMBER OF ADDITIONAL RETAIL LOCATIONS WHERE A BREWERY MAY SELL ITS MALT BEVERAGES AND TO AUTHORIZE A BREWERY TO SELL ITS MALT BEVERAGES AT THE BREWERY REGARDLESS OF THE RESULTS OF ANY MALT BEVERAGE ELECTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-1104(7) reads as rewritten:

"(7) ~~In an area where the sale of any type of alcoholic beverage is authorized by law,~~ Regardless of the results of any malt beverage election, sell the brewery's malt beverages or malt beverages manufactured by the permittee in some other state that have been approved by the Commission for sale in North Carolina only at the brewery upon (i) receiving a permit under ~~G.S. 18B-1001(1)~~ G.S. 18B-1001(1) and (ii) receiving approval from the governing body of the city where the brewery is located or, if the brewery is not located in a city, the governing body of the county where the brewery is located."

SECTION 2. G.S. 18B-1104 reads as rewritten:

"§ 18B-1104. Authorization of brewery permit.

The holder of a brewery permit may:

...

(8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at wholesale only malt beverages manufactured by the brewery. The authorization of this subdivision applies to a brewery that sells, to consumers at the brewery, to wholesalers, to retailers, and to exporters, fewer than 25,000 barrels, as defined in G.S. 81A-9, of malt beverages produced by it per year. ~~A~~ Except as otherwise provided in this subdivision, a brewery not exceeding the sales quantity limitations in this subdivision may also sell the malt beverages manufactured by the ~~brewery~~ brewery, and malt beverages produced under subdivision (6a) of this section, at not more than ~~three~~ 10 other locations in the State, where the sale is legal, upon obtaining the appropriate permits under G.S. 18B-1001. A brewery operating any additional retail location pursuant to this subdivision under a different business name than that used at the brewery shall also offer for sale at that location a reasonable selection of competitive malt beverage products. A sale at an additional retail location pursuant to this subdivision shall not be considered a wholesale sale under the ABC laws.



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1 A sale or gift under subdivision (5) or (6) shall not be considered a retail or wholesale sale
2 under the ABC laws."

3 **SECTION 3.** G.S. 18B-1116(a) reads as rewritten:

4 "(a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of
5 any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or
6 indirectly to:

7 (1) Require that an alcoholic beverage retailer purchase any alcoholic beverages
8 from that person to the full or partial exclusion of any other alcoholic
9 beverages offered for sale by other persons in this State; or

10 (2) Have any direct or indirect financial interest in the business of any alcoholic
11 beverage retailer in this State or in the premises where the business of any
12 alcoholic beverage retailer in this State is conducted; or

13 (3) Lend or give to any alcoholic beverage retailer in this State or his employee
14 or to the owner of the premises where the business of any alcoholic beverage
15 retailer in this State is conducted, any money, service, equipment, furniture,
16 fixtures or any other thing of value.

17 A brewery qualifying under ~~G.S. 18B-1104(8) to act as a wholesaler or retailer of its own~~
18 ~~malt beverages subdivision (7) or (8) of G.S. 18B-1104~~ is not subject to the provisions of this
19 ~~subsection-section~~ concerning financial interests in, and lending or giving things of value to, a
20 wholesaler or retailer with respect to the brewery's transactions with the retail business on its
21 ~~premises-premises or other retail locations allowed under G.S. 18B-1104(8)~~. The brewery is
22 subject to the provisions of this subsection, however, with respect to its transactions with all
23 other wholesalers and retailers."

24 **SECTION 4.** This act is effective when it becomes law.