

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

FILED SENATE
Mar 18, 2019
S.B. 290
PRINCIPAL CLERK

S

D

SENATE BILL DRS45127-MLf-56C

Short Title: Distiller Regulatory Reform Bill.

(Public)

Sponsors: Senators Gunn, Blue, and Harrington (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ALLOW A DISTILLERY TO SELL MALT BEVERAGES AND UNFORTIFIED AND FORTIFIED WINE; TO ALLOW A DISTILLERY TO SELL MIXED BEVERAGES; TO ALLOW A DISTILLERY TO SELL SPIRITUOUS LIQUOR DISTILLED BY THE DISTILLER DIRECTLY TO MIXED BEVERAGES PERMITTEES AND OUT-OF-STATE CONSUMERS; TO REVISE THE LAW GOVERNING THE SALE OF SPIRITUOUS LIQUOR BY A DISTILLERY TO VISITORS FOR CONSUMPTION OFF THE PREMISES; TO ALLOW A DISTILLERY TO ISSUE PURCHASE-TRANSPORTATION PERMITS FOR SPIRITUOUS LIQUOR SOLD BY THE DISTILLERY; TO ALLOW SPIRITUOUS LIQUOR TASTINGS AT AN ABC STORE; AND TO ALLOW BARS TO OBTAIN ON-PREMISES ABC PERMITS.

The General Assembly of North Carolina enacts:

PART I. ALLOW DISTILLERIES TO SELL MALT BEVERAGES AND UNFORTIFIED AND FORTIFIED WINE

SECTION 1.(a) G.S. 18B-1001 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, (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. 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:

...

k. The holder of a distillery permit authorized under G.S. 18B-1105.

...

- (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



* D R S 4 5 1 2 7 - M L F - 5 6 C *

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 subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery 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. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

...
l. The holder of a distillery permit authorized under G.S. 18B-1105.

...
 (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit authorizes the retail sale of fortified wine for consumption on the premises, either alone or mixed with other beverages, and the retail sale of fortified wine in the manufacturer's original container for consumption off the premises. The permit also authorizes the permittee to transfer fortified wine, not more than four times per calendar year, to another on-premises fortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises fortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery 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. The holder of the permit is authorized to ship fortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not

1 pursuant to this subdivision. The permit may be issued for any of the
2 following:

3 ...

4 g. The holder of a distillery permit authorized under G.S. 18B-1105.

5"

6 **SECTION 1.(b)** G.S. 18B-1105(a) is amended by adding a new subdivision to read:

7 "(6) Sell malt beverages, unfortified wine, and fortified wine, for consumption on
8 the premises upon obtaining the appropriate permit under G.S. 18B-1001."

9
10 **PART II. ALLOW DISTILLERIES TO SELL MIXED BEVERAGES**

11 **SECTION 2.** G.S. 18B-1105(a) is amended by adding a new subdivision to read:

12 "(4a) In an area where the sale of mixed beverages is authorized by law, sell mixed
13 beverages for consumption on the premises. A mixed beverages permit under
14 G.S. 18B-1001 is not required, but a distillery selling mixed beverages under
15 this subdivision is subject to the same laws governing the sale of mixed
16 beverages by a mixed beverages permittee."

17
18 **PART III. ALLOW DISTILLERIES TO SELL SPIRITUOUS LIQUOR DISTILLED BY**
19 **THE DISTILLER DIRECTLY TO MIXED BEVERAGES PERMIT HOLDERS AND**
20 **CONSUMERS IN OTHER STATES**

21 **SECTION 3.(a)** G.S. 18B-1105(a) reads as rewritten:

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

23 ...

24 (2) Sell, deliver and ship spirituous liquor in closed containers as follows:

25 a. ~~at~~ At wholesale to ~~exporters and exporters~~ within the State, local
26 boards within the State, and holders of a mixed beverages permit
27 issued under G.S. 18B-1001.

28 b. ~~and, subject~~ Subject to the laws of other jurisdictions, at wholesale or
29 retail to consumers, private or public agencies—agencies, or
30 establishments of establishments, in other states or nations.

31"

32 **SECTION 3.(b)** G.S. 18B-1105 is amended by adding a new subsection to read:

33 "(d) Payment of Taxes. – Each month, in addition to any other applicable fees or taxes, a
34 distillery permit holder shall make the following payments for spirituous liquor sold to a mixed
35 beverages permittee under subdivision (2) of subsection (a) of this section:

36 (1) To the Department of Revenue, one-half of both the mixed beverages
37 surcharges required by G.S. 18B-804(b)(8) and the guest room cabinet
38 surcharges required by G.S. 18B-804(b)(9).

39 (2) To the Department of Health and Human Services, five percent (5%) of both
40 the mixed beverages surcharge required by G.S. 18B-804(b)(8) and the guest
41 room cabinet surcharge required by G.S. 18B-804(b)(9). The Department
42 shall spend the funds described in this subdivision in accordance with the
43 purposes set forth in G.S. 18B-805(b)(3)."

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

45 "(a) Purchases. – A mixed beverages permittee may purchase spirituous liquor for resale
46 as mixed beverages and a guest room cabinet permittee may purchase spirituous liquor for resale
47 from a guest room cabinet (i) only at an ABC store designated by a local board or a distillery
48 holding a permit issued under G.S. 18B-1105 and (ii) only with a purchase-transportation permit
49 issued by that local board or distillery under G.S. 18B-403 and 18B-404."

50 **SECTION 3.(d)** The Alcoholic Beverage Control Commission (Commission) shall
51 develop and implement a process for allowing a holder of a distillery permit issued under

1 G.S. 18B-1105 to affix a mixed beverages tax stamp to spirituous liquor sold to a mixed
2 beverages permit holder in accordance with G.S. 18B-1105(a)(2), as amended by subsection (a)
3 of this section. The Commission shall revise 14B NCAC 15A .1901 as appropriate to implement
4 the requirement set forth in this subsection.

5 **SECTION 3.(e)** This section becomes effective July 1, 2019, and applies to sales
6 made on or after that date.

7
8 **PART IV. REVISE LAW AUTHORIZING DISTILLERS TO SELL SPIRITUOUS**
9 **LIQUOR DISTILLED BY THE DISTILLER FOR CONSUMPTION OFF THE**
10 **PREMISES**

11 **SECTION 4.(a)** G.S. 18B-1105(a)(4) reads as rewritten:

12 "(4) Sell spirituous liquor distilled at the distillery in closed containers to visitors
13 ~~who tour the distillery~~ for consumption off the premises. Sales under this
14 subdivision are allowed only in a county where the establishment of a county
15 or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and
16 are subject to the time and day restrictions in G.S. 18B-802. Spirituous liquor
17 sold under this subdivision shall (i) be listed as a code item for sale in the
18 State, (ii) be sold at the price set by the Commission for the code item pursuant
19 to G.S. 18B-804(b), and (iii) have affixed to its bottle a sticker that bears the
20 words "North Carolina Distillery Tour Commemorative Spirit" in addition to
21 any other labeling requirements set by law. ~~Consumers purchasing spirituous~~
22 ~~liquor under this subdivision are limited to purchasing, and the selling~~
23 ~~distillery is limited to selling to each consumer, no more than five bottles of~~
24 ~~spirituous liquor per 12 month period. The distillery shall use a commonly~~
25 ~~adopted standard point of sale system to maintain searchable electronic~~
26 ~~records captured at the point of sale, to include the purchaser's name, drivers~~
27 ~~license number, and date of birth for at least 12 months from the date of~~
28 ~~purchase. The Commission shall adopt rules regulating the retail sale of~~
29 ~~spirituous liquor under this subdivision."~~

30 **SECTION 4.(b)** G.S. 18B-804(b1) reads as rewritten:

31 "(b1) Price of Spirituous Liquor Sold at Distillery. – When the holder of a distillery permit
32 sells spirituous liquor distilled at the distillery pursuant to ~~G.S. 18B-1105(a)(4),~~ G.S. 18B-1105,
33 the retail price of the spirituous liquor shall be the uniform State price set by subsection (a) of
34 this section. However, the holder of the distillery permit shall not be required to remit the
35 components of the price set forth by subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of subsection
36 (b) of this section."

37 **SECTION 4.(c)** G.S. 18B-1116(a) reads as rewritten:

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

41 ...

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

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

1 distillery is subject to the provisions of this subsection, however, with respect to its transactions
 2 with all other wholesalers and retailers."

3 **SECTION 4.(d)** This section becomes effective July 1, 2019, and applies to sales
 4 made on or after that date.

5
 6 **PART V. ALLOW DISTILLERIES TO ISSUE PURCHASE-TRANSPORTATION**
 7 **PERMITS FOR SPIRITUOUS LIQUOR SOLD BY THE DISTILLERY**

8 **SECTION 5.(a)** G.S. 18B-403 reads as rewritten:

9 "**§ 18B-403. Purchase-transportation permit.**

10 ...

11 (b) Issuance of Permit. – A purchase-transportation permit may be issued ~~by~~by any of
 12 the following:

13 (1) The local board ~~chairman;~~chairman.

14 (2) A member of the local ~~board;~~board.

15 (3) The general manager or supervisor of the local ~~board;~~ or board.

16 (4) The manager or assistant manager of an ABC store, if he or she is authorized
 17 to issue permits by the local board chairman.

18 (5) For spirituous liquor sold by the distillery only, the owner, or an employee
 19 designated by the owner, of a distillery authorized to sell spirituous liquor
 20 under G.S. 18B-1105.

21 (c) Disqualifications. – A purchase-transportation permit shall not be issued to a person
 22 ~~who~~who meets any of the following requirements:

23 (1) Is not sufficiently identified or known to the ~~issuer;~~issuer.

24 (2) Is known or shown to be an alcoholic or ~~bootlegger;~~bootlegger.

25 (3) Has been convicted within the previous three years of an offense involving
 26 the sale, possession, or transportation of nontaxpaid alcoholic ~~beverages;~~
 27 or beverages.

28 (4) Has been convicted within the previous three years of an offense involving
 29 the sale of alcoholic beverages without a permit.

30 ...

31 (e) Restrictions on Permit. – A purchase may be made only from the store or distillery
 32 named on the permit. One copy of the permit shall be kept by the issuing person, one by the
 33 purchaser, and one by the store or distillery from which the purchase is made. The purchaser
 34 shall display his copy of the permit to any law-enforcement officer upon request. A permit for
 35 the purchase and transportation of spirituous liquor may be issued only by an authorized agent
 36 of the local board for the jurisdiction in which the purchase will be made.~~made or in accordance~~
 37 with subdivision (5) of subsection (b) of this section.

38"

39 **SECTION 5.(b)** G.S. 18B-404(b) reads as rewritten:

40 "(b) Issuance. – If mixed beverages sales have been approved for an establishment under
 41 G.S. 18B-603(d1) or under G.S. 18B-603(e), or for an establishment located in a township in
 42 which mixed beverages have been approved the purchase-transportation permit for that
 43 establishment for spirituous liquor that will be purchased from an ABC store may be issued by
 44 the local board of any city located in the same county as the establishment, provided the city has
 45 approved the sale of mixed beverages. Otherwise a licensed establishment may obtain a mixed
 46 beverages purchase-transportation permit for spirituous liquor that will be purchased from an
 47 ABC store only from the local board for the jurisdiction in which it is located. If there is no ABC
 48 store within the establishment's jurisdiction, then the mixed beverages permittee shall obtain a
 49 mixed beverages purchase-transportation permit for spirituous liquor that will be purchased from
 50 an ABC store from the nearest and most convenient ABC store. A mixed beverages permittee

1 may obtain a mixed beverages purchase-transportation permit for spirituous liquor that will be
 2 purchased from a distillery from the distillery in accordance with G.S. 18B-403(b)(5)."

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

4 "(a) Who Issues. – All ABC permits shall be issued by the Commission.
 5 Purchase-transportation permits shall be issued by local boards or distilleries under
 6 G.S. 18B-403."

7 **SECTION 5.(d)** G.S. 18B-1007(a) reads as rewritten:

8 "(a) Purchases. – A mixed beverages permittee may purchase spirituous liquor for resale
 9 as mixed beverages and a guest room cabinet permittee may purchase spirituous liquor for resale
 10 from a guest room cabinet only at an ABC store designated by a local ~~board-board,~~ or a distillery
 11 when purchasing spirituous liquor directly from the distillery in accordance with G.S. 18B-1105,
 12 and only with a purchase-transportation permit issued by that local board or distillery under
 13 G.S. 18B-403 and 18B-404."

14 **SECTION 5.(e)** This section becomes effective July 1, 2019, and applies to
 15 purchases made on or after that date.

16
 17 **PART VI. ABC STORES/ALLOW IN-STORE SPIRITUOUS LIQUOR TASTINGS**

18 **SECTION 6.(a)** G.S. 18B-1114.7(a) reads as rewritten:

19 "(a) Authorization. – The holder of a supplier representative permit, brokerage
 20 representative permit, or distillery permit issued under G.S. 18B-1105 may obtain a spirituous
 21 liquor special event permit allowing the permittee to give free tastings of its spirituous liquors at
 22 ABC stores where the local ABC board has approved the tasting, trade shows, conventions,
 23 shopping malls, street festivals, holiday festivals, agricultural festivals, balloon races, local
 24 fund-raisers, and other similar events approved by the Commission."

25 **SECTION 6.(b)** G.S. 18B-1114.7(b) reads as rewritten:

26 "(b) Limitations. – Any consumer tasting is subject to the following limitations:

27 ...
 28 (3) Each consumer shall be limited to one ~~0.25 ounce tasting sample tasting~~
 29 sample containing 0.25 ounces of any product made available for sampling at
 30 the consumer tasting, and the total amount of the tasting samples offered to
 31 and consumed by each consumer shall not exceed 1.0 ounce of spirituous
 32 liquor in any calendar day.

33 ...
 34 (7) ~~A venue allowing tastings shall designate a tasting area within the venue that~~
 35 ~~enables the permit holder to ensure that the consumer tasting is being~~
 36 ~~conducted in compliance with this section. Consumers shall only be allowed~~
 37 ~~to consume tasting samples within the designated tasting area.~~

38 ...
 39 (11) For tastings conducted in an ABC store, the Commission shall adopt rules to
 40 ensure that holders of distillery permits issued under G.S. 18B-1105 are
 41 provided by local ABC boards reasonable opportunities to conduct tastings."

42 **SECTION 6.(c)** G.S. 18B-301(f)(1) reads as rewritten:

43 "(1) Any person to consume fortified wine, spirituous liquor, or mixed beverages
 44 or to offer such beverages to another person at any of the following places:
 45 a. ~~On~~Unless a consumer tasting authorized by G.S. 18B-1114.7 is being
 46 conducted, on the premises of an ABC store.
 47 b. Upon any property used or occupied by a local board.
 48 c. On any public road, street, highway, or sidewalk, unless a consumer
 49 tasting authorized by G.S. 18B-1114.7 is being conducted."

50 **SECTION 6.(d)** This section becomes effective July 1, 2019.
 51

PART VII. ALLOW BARS TO OBTAIN ON-PREMISES ABC PERMITS

SECTION 7.(a) G.S. 18B-1000 reads as rewritten:

"§ 18B-1000. Definitions concerning establishments.

The following requirements and definitions shall apply to this Chapter:

(1) Bar. – An establishment substantially engaged in the business of serving alcoholic beverages for consumption on the premises. To qualify as a bar, an establishment's gross receipts from alcoholic beverages for consumption on the premises shall be not less than seventy-five percent (75%) of the establishment's total gross receipts.

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

~~(1a)~~(1b) Convention center. – An establishment that meets either of the following requirements:

a. A publicly owned or operated establishment that is engaged in the business of sponsoring or hosting conventions and similar large gatherings, including auditoriums, armories, civic centers, convention centers, and coliseums.

b. A privately owned facility located in a city that has a population of at least 200,000 but not more than 250,000 by the 2000 federal census and is located in a county that has previously authorized the issuance of mixed beverage permits by referendum. To qualify as a convention center under this subdivision, the facility shall meet each of the following requirements:

1. The facility shall be certified by the appropriate local official as being consistent with the city's redevelopment plan for the area in which the facility is located.

2. The facility shall contain at least 7,500 square feet of floor space that is available for public use and shall be used exclusively for banquets, receptions, meetings, and similar gatherings.

3. The facility's annual gross receipts from the sale of alcoholic beverages shall be less than fifty percent (50%) of the gross receipts paid to all providers at permitted functions for food, nonalcoholic beverages, alcoholic beverages, service, and facility usage fees (excluding receipts or charges for entertainment and ancillary services not directly related to providing food and beverage service). The person to whom a permit has been issued for a privately owned facility shall be required to maintain copies of all contracts and invoices for items supplied by providers for a period of three years from the date of the event.

A permit issued for a convention center shall be valid only for those parts of the building used for conventions, banquets, receptions, and other events, and only during scheduled activities.

~~(1b)~~(1c) Cooking school. – An establishment substantially engaged in the business of operating a school in which cooking techniques are taught for a fee.

...."

1 **SECTION 7.(b)** G.S. 18B-1001, as amended by Section 1 of this act, reads as
2 rewritten:

3 **"§ 18B-1001. Kinds of ABC permits; places eligible.**

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

- 6 (1) **On-Premises Malt Beverage Permit.** – An on-premises malt beverage permit
7 authorizes (i) the retail sale of malt beverages for consumption on the
8 premises, (ii) the retail sale of malt beverages in the manufacturer's original
9 container for consumption off the premises, and (iii) the retail sale of malt
10 beverages in a cleaned and sanitized container that is filled or refilled and
11 sealed for consumption off the premises and that identifies the permittee and
12 the date the container was filled or refilled. It also authorizes the holder of the
13 permit to ship malt beverages in closed containers to individual purchasers
14 inside and outside the State. The permit may be issued for any of the
15 following:

16 ...

17 l. Bars.

18 ...

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

48 ...

49 m. Bars.

50 ...

- 1 (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit
2 authorizes the retail sale of fortified wine for consumption on the premises,
3 either alone or mixed with other beverages, and the retail sale of fortified wine
4 in the manufacturer's original container for consumption off the premises. The
5 permit also authorizes the permittee to transfer fortified wine, not more than
6 four times per calendar year, to another on-premises fortified wine permittee
7 that is under common ownership or control as the transferor. Except as
8 authorized by this subdivision, transfers of wine by on-premises fortified wine
9 permittees, purchases of wine by a retail permittee from another retail
10 permittee for the purpose of resale, and sale of wine by a retail permittee to
11 another retail permittee for the purpose of resale are unlawful. In addition, a
12 particular brand of wine may be transferred only if both the transferor and
13 transferee are located within the territory designated between the winery and
14 the wholesaler on file with the Commission. Prior to or contemporaneous with
15 any such transfer, the transferor shall notify each wholesaler who distributes
16 the transferred product of the transfer. The notice shall be in writing or
17 verifiable electronic format and shall identify the transferor and transferee, the
18 date of the transfer, quantity, and items transferred. The holder of the permit
19 is authorized to ship fortified wine in closed containers to individual
20 purchasers inside and outside the State. Orders received by a winery by
21 telephone, Internet, mail, facsimile, or other off-premises means of
22 communication shall be shipped pursuant to a wine shipper permit and not
23 pursuant to this subdivision. The permit may be issued for any of the
24 following:
25 ...
26 h. Bars.
27 ...
28 (7) Brown-Bagging Permit. – A brown-bagging permit authorizes each individual
29 patron of an establishment, with the permission of the permittee, to bring up
30 to eight liters of fortified wine or spirituous liquor, or eight liters of the two
31 combined, onto the premises and to consume those alcoholic beverages on the
32 premises. The permit may be issued for any of the following:
33 ...
34 f. Bars.
35 (8) Special Occasion Permit. – A special occasion permit authorizes the host of a
36 reception, party or other special occasion, with the permission of the
37 permittee, to bring fortified wine and spirituous liquor onto the premises of
38 the business and to serve the same to his guests. The permit may be issued for
39 any of the following:
40 ...
41 f. Bars.
42 ...
43 (10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail
44 sale of mixed beverages for consumption on the premises. The permit also
45 authorizes a mixed beverages permittee (i) to obtain a purchase-transportation
46 permit under G.S. 18B-403 and 18B-404, (ii) to obtain an antique spirituous
47 liquor permit under subdivision (20) of this section, and (iii) to use for culinary
48 purposes spirituous liquor lawfully purchased for use in mixed beverages. The
49 permit may be issued for any of the following:
50 ...
51 i. Bars.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

...."

PART VIII. RULES

SECTION 8. The Alcoholic Beverage Control Commission shall amend its rules consistent with the provisions of this act. The Commission may use the procedure set forth in G.S. 150B-21.1 to amend any rules as required under this section.

PART IX. SEVERABILITY CLAUSE

SECTION 9. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

PART X. EFFECTIVE DATE

SECTION 10. Except as otherwise provided, this act becomes effective July 1, 2019.