

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 91  
PROPOSED COMMITTEE SUBSTITUTE H91-PCS10549-SAf-20

Short Title: ABC Laws Modernization/PED Study.

(Public)

Sponsors:

Referred to:

February 19, 2019

A BILL TO BE ENTITLED

AN ACT TO EXEMPT MIXED BEVERAGE PERMITTEES FROM THE PURCHASE-TRANSPORTATION PERMIT REQUIREMENT FOR SPIRITUOUS LIQUOR; TO REQUIRE THE ABC COMMISSION TO SUBMIT A QUARTERLY REPORT ON ITS PROCESS FOR OBTAINING A CONTRACT FOR STATE WAREHOUSE SERVICES; TO ALLOW THE PURCHASE OF INDIVIDUAL BOTTLES WHEN PLACING A SPECIAL ORDER OF SPIRITUOUS LIQUOR; TO ALLOW LOCAL ABC BOARDS TO CHARGE A DELIVERY FEE WHEN DELIVERING SPIRITUOUS LIQUOR TO MIXED BEVERAGES PERMITTEES; TO ALLOW LOCAL GOVERNMENTS THE OPTION OF OPERATING ABC STORES ON SUNDAYS; AND TO ALLOW SPIRITUOUS LIQUOR TASTINGS AT ABC STORES, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

**PART II. EXEMPT MIXED BEVERAGE PERMITTEES FROM PURCHASE-TRANSPORTATION PERMIT REQUIREMENT FOR SPIRITUOUS LIQUOR**

**SECTION 2.(a)** G.S. 18B-303 reads as rewritten:

**"§ 18B-303. Amounts of alcoholic beverages that may be purchased.**

(a) Purchases Allowed. – Without a permit, a person may purchase at one time:

- (1) Not more than 80 liters of malt beverages, except draft malt beverages in kegs for off-premises consumption. For purchase of a keg or kegs of malt beverages for off-premises consumption, the permit required by G.S. 18B-403.1(a) must first be obtained;
- (2) Any amount of draft malt beverages by a permittee in kegs for on-premise consumption;
- (3) Not more than 50 liters of unfortified wine;
- (4) Not more than eight liters of either fortified wine or spirituous liquor, or eight liters of the two combined.

(b) Unlawful Purchase. – Except as provided in ~~subsection (c)~~ subsections (c) and (d) of this section, and in ~~Article 11~~, Article 11 of this Chapter, it shall be unlawful for any person to purchase, or for any person to sell, an amount of alcoholic beverages greater than that stated in subsection (a).



1 (c) Greater Amounts. – Amounts of alcoholic beverages greater than those listed in  
2 subdivisions (a)(3) and (a)(4) may be purchased with a purchase-transportation permit under  
3 G.S. 18B-403.

4 (d) Mixed Beverage Permittee Exception. – A mixed beverage permittee, or an employee  
5 of a mixed beverage permittee, may purchase and transport any amount of fortified wine or  
6 spirituous liquor for use by the mixed beverage permittee without obtaining a  
7 purchase-transportation permit under G.S. 18B-403. An independent contractor employed  
8 pursuant to G.S. 18B-701(a)(1), by either a mixed beverage permittee or a local ABC board, may  
9 transport any amount of fortified wine or spirituous liquor for use by a mixed beverage permittee  
10 without obtaining a purchase-transportation permit under G.S. 18B-403."

11 **SECTION 2.(b)** G.S. 18B-403(a) reads as rewritten:

12 "(a) Amounts. – With a purchase-transportation permit, a person may purchase and  
13 transport an amount of alcoholic beverages greater than the amount specified in G.S. 18B-303(a).  
14 A permit authorizes the holder to transport from the place of purchase to the destination within  
15 North Carolina indicated on the permit at one time the following amount of alcoholic beverages:

16 (1) A maximum of 100 liters of unfortified ~~wine;~~wine.

17 (2) A maximum of 40 liters of either fortified wine or spirituous liquor, or 40  
18 liters of the two ~~combined;~~ or combined.

19 (3) ~~The amount of fortified wine or spirituous liquors specified on the~~  
20 ~~purchase-transportation permit for a mixed beverage permittee."~~

21 **SECTION 2.(c)** This section becomes effective July 1, 2019, and applies to fortified  
22 wine and spirituous liquor purchased on or after that date.

### 23 24 **PART III. ABC COMMISSION/QUARTERLY REPORT ON PROCESS FOR** 25 **OBTAINING A CONTRACT FOR STATE WAREHOUSE SERVICES**

26 **SECTION 3.(a)** Beginning October 15, 2019, and quarterly thereafter, the ABC  
27 Commission shall submit a written report to the chairs of the Joint Legislative Oversight  
28 Committee on Justice and Public Safety detailing the progress made in bidding and selecting an  
29 independent contractor for the receipt, storage, and distribution of spirituous liquor at and from  
30 the State warehouse in accordance with G.S. 18B-204(a)(3). The report required under this  
31 section shall include all of the following:

32 (1) The schedule for developing and issuing the Request for Proposal (RFP),  
33 including detailed explanations as to how the Commission is meeting the  
34 milestones identified on the schedule.

35 (2) An identification of State agencies, departments, and other entities providing  
36 the Commission with technical assistance on RFP development and contract  
37 negotiations, including a detailed description of the assistance that is being  
38 provided.

39 (3) A description of the Commission's consultation with local ABC boards, as that  
40 term is defined in G.S. 18B-101, to ensure the boards' concerns and  
41 expectations are addressed during the RFP development and contract  
42 negotiations.

43 (4) A copy of the RFP when it is released for bid.

44 (5) A copy of the final contract entered into pursuant to G.S. 18B-204(a)(3).

45 (6) An implementation schedule for transitioning from the existing contract for  
46 services described in G.S. 18B-204(a)(3) to the new contract.

47 **SECTION 3.(b)** The reporting requirement set forth in subsection (a) of this section  
48 expires upon the earlier of the date of the award of the contract for services described in  
49 G.S. 18B-204(a)(3) or January 1, 2022.

### 50 51 **PART IV. ABC SPECIAL ORDERS/ALLOW PURCHASE OF INDIVIDUAL BOTTLES**

1           **SECTION 4.(a)** G.S. 18B-800 is amended by adding a new subsection to read:  
 2           "(c1) Special Orders. – Through the process established by rule of the Commission for  
 3 special orders of spirituous liquor that are on the special item list approved by the Commission,  
 4 ABC stores shall allow the purchase of individual bottles of spirituous liquor. ABC stores may  
 5 sell in store any bottles it receives from a special item case in excess of what was purchased by  
 6 the requesting customer."

7           **SECTION 4.(b)** In order to facilitate the sale of any remainders of a special item  
 8 case by a local ABC board, increase customer access to products, and allow local ABC boards  
 9 to more effectively manage inventory, the ABC Commission shall develop and implement an  
 10 Internet-based system to facilitate the sale and purchase, and transport and delivery, of spirituous  
 11 liquor items by and among local ABC boards. The system shall include both items listed on the  
 12 regular approved list of items and on the special item list maintained by the ABC Commission.

13           **SECTION 4.(c)** The ABC Commission shall develop and implement an  
 14 Internet-based system to allow mixed beverage permittees to track special orders from the special  
 15 item list online, including the date a special order is placed with the ABC Commission by a local  
 16 ABC board and the expected date that a mixed beverage permittee can take possession of a  
 17 special order.

18           **SECTION 4.(d)** Subsection (a) of this section becomes effective July 1, 2019, and  
 19 applies to special orders placed on or after that date. The remainder of this section is effective  
 20 when it becomes law.

## 21 22 **PART V. LOCAL ABC BOARDS/ALLOW DELIVERY FEE**

23           **SECTION 5.(a)** G.S. 18B-701(a) reads as rewritten:

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

- 25           (1) Buy, sell, transport, and possess alcoholic beverages as necessary for the  
 26 operation of its ABC ~~stores;~~ stores. If a local board provides delivery of  
 27 spirituous liquor to a mixed beverages permittee, the local board may use its  
 28 employees or contract with an independent contractor and may charge a fee  
 29 to the permittee. A mixed beverage permittee may contract with an  
 30 independent contractor to provide delivery of spirituous liquor from an ABC  
 31 board's store or warehouse to the permittee's premises.
- 32           (2) Adopt rules for its ABC system, subject to the approval of the  
 33 ~~Commission;~~ Commission.
- 34           (3) Hire and fire employees for the ABC ~~system;~~ system.
- 35           (4) Designate one employee as manager of the ABC system and determine his  
 36 ~~responsibilities;~~ responsibilities.
- 37           (5) Require bonds of employees as provided in the rules of the  
 38 ~~Commission;~~ Commission.
- 39           (6) Operate ABC stores as provided in Article ~~8;~~ 8.
- 40           (7) Issue purchase-transportation permits as provided in Article ~~4;~~ 4.
- 41           (8) Employ local ABC officers or make other provision for enforcement of ABC  
 42 laws as provided in Article ~~5;~~ 5.
- 43           (9) Borrow money as provided in ~~G.S. 18B-702;~~ G.S. 18B-702.
- 44           (10) Buy and lease real and personal property, and receive property devised or  
 45 given, as necessary for the operation of the ABC ~~system;~~ system.
- 46           (11) Invest surplus funds as provided in ~~G.S. 18B-702;~~ G.S. 18B-702.
- 47           (12) Dispose of property in the same manner as a city council may under Article  
 48 12 of Chapter 160A of the General ~~Statutes;~~ and Statutes.

49           ...."

1           **SECTION 5.(b)** The ABC Commission shall adopt rules to implement this section,  
2 including the allowed fee for delivery and establishing requirements independent contractors  
3 must meet to provide deliveries authorized by this section.

4           **SECTION 5.(c)** Subsection (a) of this section becomes effective July 1, 2019, and  
5 applies to deliveries made on or after that date. The remainder of this section is effective when it  
6 becomes law.

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8 **PART VI. ALLOW LOCAL GOVERNMENT OPTION/ABC STORE SALES ON**  
9 **SUNDAY**

10           **SECTION 6.(a)** G.S. 18B-802(b) reads as rewritten:

11           "(b) Days. – No ABC store shall be open, and no ABC store employee shall sell alcoholic  
12 beverages, ~~on any Sunday, New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, or~~  
13 Christmas Day. Except as otherwise provided under G.S. 153A-145.8 or G.S. 160A-205.4, no  
14 ABC store shall be open, and no ABC store employee shall sell alcoholic beverages, on any  
15 Sunday. A local board may otherwise determine the days on which its stores shall be closed."

16           **SECTION 6.(b)** Article 6 of Chapter 153A of the General Statutes is amended by  
17 adding a new section to read:

18 **§ 153A-145.8. Allow ABC stores to operate on Sunday.**

19           If a county operates at least one ABC store, the county may adopt an ordinance allowing  
20 ABC stores under the operation of the county to be open and selling alcoholic beverages on  
21 Sundays. A county must consult with its county ABC board prior to adopting an ordinance under  
22 this section."

23           **SECTION 6.(c)** Article 8 of Chapter 160A of the General Statutes is amended by  
24 adding a new section to read:

25 **§ 160A-205.4. Allow ABC stores to operate on Sunday.**

26           If a city operates at least one ABC store, the city may adopt an ordinance allowing ABC  
27 stores under the operation of the city to be open and selling alcoholic beverages on Sundays. A  
28 city must consult with its city ABC board prior to adopting an ordinance under this section."

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

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31 **PART VII. ABC STORES/ALLOW IN-STORE SPIRITUOUS LIQUOR TASTINGS**

32           **SECTION 7.(a)** G.S. 18B-1114.7(a) reads as rewritten:

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

39           **SECTION 7.(b)** G.S. 18B-301(f)(1) reads as rewritten:

40           "(1) Any person to consume fortified wine, spirituous liquor, or mixed beverages  
41 or to offer such beverages to another person at any of the following places:

- 42           a. ~~On~~Unless a consumer tasting authorized by G.S. 18B-1114.7 is being  
43 conducted, on the premises of an ABC store.  
44           b. Upon any property used or occupied by a local board.  
45           c. On any public road, street, highway, or sidewalk, unless a consumer  
46 tasting authorized by G.S. 18B-1114.7 is being conducted."

47           **SECTION 7.(c)** This section becomes effective July 1, 2019.

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49 **PART VIII. RULES**

50           **SECTION 8.** The Alcoholic Beverage Control Commission shall amend its rules  
51 consistent with the provisions of this act.

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**PART IX. EFFECTIVE DATE**

**SECTION 9.** Except as otherwise provided, this act is effective when it becomes

law.