

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 921
PROPOSED COMMITTEE SUBSTITUTE H921-CSTQxf-47 [v.14]
05/11/2026 01:05:00 PM

Short Title: ABC & Gaming Omnibus Bill.

(Public)

Sponsors:

Referred to:

April 14, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOL LAWS OF THIS STATE,
3 TO REVISE THE LAW GOVERNING GAME NIGHTS, AND TO REMOVE THE
4 LIMITATIONS ON RAFFLES FOR 50/50 RAFFLES CONDUCTED BY NONPROFIT
5 ORGANIZATIONS OR GOVERNMENT ENTITIES.

6 The General Assembly of North Carolina enacts:

7
8 **REVISE LAW GOVERNING DISPLAY OF SPIRITUOUS LIQUOR DISTILLED OR**
9 **PRODUCED IN NORTH CAROLINA**

10 **SECTION 1.** G.S. 18B-800(e) reads as rewritten:

11 "(e) Each ABC store shall display spirits which are distilled or produced in North Carolina
12 in an area dedicated solely to North Carolina ~~products~~products or otherwise in the store so long
13 as the product is identified as a North Carolina product by a price tag or shelf tag."

14
15 **MODIFY MOBILE BAR SERVICES PERMIT**

16 **SECTION 2.** G.S. 18B-1001(12a) reads as rewritten:

17 "(12a) Mobile Bar Services Permit. – A mobile bar services permit may be issued to
18 a business that provides bartending services for events. The permit authorizes
19 the permittee to (i) bring malt beverages, unfortified wine, fortified wine, and
20 spirituous liquor onto the premises of a business that is not an ABC permittee
21 and to serve the alcoholic beverages to guests at the ~~event~~event, and (ii) serve
22 alcoholic beverages to guests at an event occurring on premises owned or
23 possessed by the holder of the permit. The permittee may purchase malt
24 beverages and unfortified wine ~~from either a retailer or a wholesaler~~only from
25 a retailer. The permittee may purchase fortified wine and spirituous liquor
26 only from ~~either an ABC store or a wholesaler~~. The an ABC store. If the
27 permittee ~~serves spirituous liquor, it shall purchase only be~~ spirituous liquor
28 purchased from an ABC store that is designated as a mixed beverage ABC
29 store operated by any local board operating in the same county where the
30 permittee's principal office is located. The permittee may ~~not store and~~ store and
31 serve alcoholic beverages pursuant to a mobile bar services permit on the premises
32 of any location owned or possessed by the permittee. The permittee shall
33 notify the Commission, in writing, of the location of any event where the
34 permittee will serve alcoholic beverages not less than one week before the
35 event ~~and~~and, if the event takes place on premises not owned or possessed by
36 the permittee, shall have the permission of the owner or possessor of the



1 property on which the event is to be held. Any person serving alcoholic
2 beverages at the event shall be at least 21 years of age. ~~Alcoholic~~ If the event
3 takes place on premises not owned or possessed by the permittee, alcoholic
4 beverages may be transported by the mobile bar services permit holder to the
5 premises of the event no earlier than 8:00 A.M. At A.M., and, at the conclusion
6 of the event, all alcoholic beverages must be removed from the premises no
7 later than 12:00 noon of the following day. A limited special occasion permit
8 shall not be required for an event at which alcoholic beverages are exclusively
9 provided by the holder of a mobile bar services permit. The holder of a mobile
10 bar services permit may bring alcoholic beverages onto the premises and serve
11 the alcoholic beverages at an event regardless of whether there is a charge or
12 fee for guests to attend the event. This permit does not allow the retail sale of
13 individual alcoholic beverages to guests at an event. A permit holder shall not
14 sell tickets or charge individuals for entry to an event occurring on premises
15 owned or possessed by the permit holder."
16

17 TOWN OF ANGIER ABC BOARD DISTRIBUTIONS

18 SECTION 3.(a) Section 6 of Chapter 626, Session Laws of 1969, as amended by
19 Chapter 144, Session Laws of 1971, reads as rewritten:

20 "Sec. 6. The net profits, as determined by quarterly audit, shall be distributed and used
21 as follows:

22 1. Ten per cent (10%) of the net profit shall be ~~paid to the Angier Community~~
23 ~~Library allocated to recreation programs within the town limits of the Town of Angier.~~

24 2. Ten per cent (10%) of the net profit may be used by the town Alcoholic
25 Control Board, in its discretion, for educational programs as to the effect of the use of alcoholic
26 beverages and for the rehabilitation of alcoholics. Whenever a person becomes an inebriate from
27 the use of alcoholic beverages and has been committed by the Clerk of Court of Harnett County,
28 as provided in G.S. 35-2, and such person is indigent so that expenses of his care and cure shall
29 constitute a valid charge against the county, as provided in G.S. 35-2, the town Alcoholic Control
30 Board shall pay to the county such charges; provided, that the town Alcoholic Control Board
31 shall not be required to pay any such charges except where it has agreed with the Clerk of
32 Superior Court to pay such charges prior to the person's commitment. The town Alcoholic
33 Control Board is authorized to participate in and to make contributions to public and private
34 organizations which have rehabilitation programs for alcoholics, when the organization and its
35 programs have been approved by the board. Nothing herein shall be construed as limiting the
36 Alcoholic Control Board's discretion in establishing its educational and rehabilitation program
37 and expenditures therefor within the ten per cent (10%) net profits herein allocated.

38 3. The remainder of the net profits shall be allocated to the general fund of the
39 town of Angier. The governing body of the town is hereby authorized to appropriate such funds
40 for any proper governmental purpose. Out of the funds allocated to it, the governing body of the
41 town is authorized, at its discretion, to expend up to twenty-five per cent (25%) of such funds for
42 recreational programs in the town."

43 SECTION 3.(b) Any undistributed funds accrued by the town Alcoholic Control
44 Board prior to the effective date of this act for distribution to the Angier Community Library
45 shall be distributed for the purpose of recreation programs within the town limits of the Town of
46 Angier.

47 ALLOW MIXED BEVERAGE PERMITTEES TO PURCHASE SPIRITUOUS LIQUOR 48 FROM ANY DESIGNATED ABC STORE IN THE STATE

49 SECTION 4.(a) G.S. 18B-404 reads as rewritten:
50

1 **"§ 18B-404. Additional provisions for purchase and transportation by mixed beverage**
2 **permittees.**

3 ...

4 (c) Designated Store. – A mixed beverage permittee may purchase spirituous liquor from
5 ~~an any ABC store in this State that is designated as a mixed beverage ABC store operated by any~~
6 ~~local board operating in the same county as the permittee store.~~

7 (c1) Non-solicitation. – A local board shall not solicit any mixed beverage permittee to
8 purchase spirituous liquor from the board except for permittees located within the board's
9 jurisdiction.

10 ...

11 (f) Delivery Service. – A local board shall offer delivery service to mixed beverage
12 permittees. permittees operating in the local board's jurisdiction. A local board may provide
13 delivery service to mixed beverage permittees operating in the same county in which the local
14 board is located or any adjacent county. In providing delivery of purchased products to mixed
15 beverage permittees, the local board may use its employees or contract with one or more
16 independent contractors and may charge a fee to the permittee. A local board in a Tier 1 or Tier
17 2 county, as defined in G.S. 143B-472.35(a2)(18), may request an exemption to this requirement
18 from the ABC Commission. The Commission shall grant the request if the local board can show
19 evidence of unreasonable hardship or difficulty incurred by implementing delivery service."

20 **SECTION 4.(b)** G.S. 18B-600, as amended by Section 18.(a) of this act, reads as
21 rewritten:

22 **"§ 18B-600. Places eligible to hold alcoholic beverage elections.**

23 ...

24 (b) County Elections. – Any county may hold a malt beverage, unfortified wine, or ABC
25 store election. A county may hold a mixed beverage election only if (i) the county already
26 operates at least one county ABC store or a city located in the county operates at least one ABC
27 store, or (ii) a county election on ABC stores is to be held at the same time as the mixed beverage
28 election. ~~If a county does not operate at least one ABC store, a mixed beverages permittee may~~
29 ~~purchase liquor from an ABC store that is designated as a mixed beverage ABC store operated~~
30 ~~by any local board operating in the same county as the permittee.~~

31 ...

32 (e) City Mixed Beverage Elections. – A city may hold a mixed beverage election if the
33 city has at least 500 registered voters. ~~Provided, that if a city that qualifies for an election under~~
34 ~~this subsection approves the sale of mixed beverages, a mixed beverages permittee in the city~~
35 ~~may purchase liquor from an ABC store that is designated as a mixed beverage ABC store~~
36 ~~operated by any local board operating in the same county as the permittee.~~

37 (e1) Small City Mixed Beverage Elections. – A city may also hold a mixed beverage
38 election if the city has at least 200 registered voters and is located in a county with at least one
39 other city that has approved the sale of mixed beverages. ~~Provided, that if a city that qualifies for~~
40 ~~an election under this subsection approves the sale of mixed beverages, a mixed beverages~~
41 ~~permittee in the smaller city may purchase liquor from an ABC store that is designated as a mixed~~
42 ~~beverage ABC store operated by any local board operating in the same county as the permittee.~~

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

49 (e3) Repealed by Session Laws 2024-41, s. 6(b), retroactively effective November 1,
50 2022, and applies to elections conducted on or after that date.

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

3 ...

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

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

- 19 (1) Was incorporated after 1990 and prior to the effective date of this subsection;
- 20 (2) Has at least 100 residents;
- 21 (3) Is located in a county that borders another state and that has two other
22 municipalities which have ABC stores; and
- 23 (4) At the time of the election, has corporate boundaries that border or include
24 land in three counties.

25 ~~Provided, that if a town that qualifies for an election under this subsection approves the sale
26 of mixed beverages, a mixed beverage permittee in the town may purchase liquor from an ABC
27 store that is designated as a mixed beverage ABC store operated by any local board operating in
28 the same county as the permittee.~~

29 ..."

30 **SECTION 4.(c)** G.S. 18B-603(h) reads as rewritten:

31 "(h) Permits Based on Existing Permits. – In any county which borders on the Atlantic
32 Ocean and where (i) the sale of malt beverage on and off premises, the sale of unfortified wine
33 on and off premises, the sale of mixed beverages, and the operation of an ABC system has been
34 allowed in at least six cities in the county, or in any county adjacent to that county in which an
35 ABC system has been allowed, or (ii) the sale of malt beverage on and off premises, the sale of
36 unfortified wine on and off premises, the sale of mixed beverages, and the operation of an ABC
37 system has been allowed in at least eight cities in the county, the Commission may issue permits
38 to sports clubs as defined in G.S. 18B-1000(8) throughout the county.

39 The Commission may issue the following permits:

- 40 (1) On and Off Premises Malt Beverage;
- 41 (2) On and Off Premises Unfortified Wine;
- 42 (3) On and Off Premises Fortified Wine; or
- 43 (4) Mixed Beverages.

44 The Commission may also issue on-premises malt beverage, unfortified wine, fortified wine
45 and mixed beverages permits to a sports club located in a county adjacent to any county that has
46 approved the sale of mixed beverages pursuant to G.S. 18B-603(d1), if the county in which the
47 sports club is located borders another state and has at least one city that has approved the sale of
48 mixed beverages. ~~Sports clubs holding mixed beverage permits shall purchase their spirituous
49 liquor at the nearest ABC system store that is located in the county.~~

50 The Commission may further issue on-premises malt beverage and on-premises unfortified
51 wine permits to a sports club located in a county bordering on another state that is adjacent to

1 any county in which permits were issued pursuant to this subsection prior to August 1, 1993. The
2 sports clubs must be located in the unincorporated areas of a county, in which the sale of malt
3 beverages and unfortified wine is not permitted, and where there are six or more municipalities
4 in that county where the sale of malt beverages and unfortified wine is permitted."

5 **SECTION 4.(d)** G.S. 18B-1001(12a), as amended by Section 2 of this act, reads as
6 rewritten:

7 "(12a) Mobile Bar Services Permit. – A mobile bar services permit may be issued to
8 a business that provides bartending services for events. The permit authorizes
9 the permittee to (i) bring malt beverages, unfortified wine, fortified wine, and
10 spirituous liquor onto the premises of a business that is not an ABC permittee
11 and to serve the alcoholic beverages to guests at the event, and (ii) serve
12 alcoholic beverages to guests at an event occurring on premises owned or
13 possessed by the holder of the permit. The permittee may purchase malt
14 beverages and unfortified wine only from a retailer. The permittee may
15 purchase fortified wine and spirituous liquor only from an ABC store. If the
16 permittee serves spirituous liquor, it shall only be spirituous liquor purchased
17 from an ABC store that is designated as a mixed beverage ABC ~~store operated~~
18 ~~by any local board operating in the same county where the permittee's~~
19 ~~principal office is located.~~ store. The permittee may store and serve alcoholic
20 beverages pursuant to a mobile bar services permit on the premises of any
21 location owned or possessed by the permittee. The permittee shall notify the
22 Commission, in writing, of the location of any event where the permittee will
23 serve alcoholic beverages not less than one week before the event and, if the
24 event takes place on premises not owned or possessed by the permittee, shall
25 have the permission of the owner or possessor of the property on which the
26 event is to be held. Any person serving alcoholic beverages at the event shall
27 be at least 21 years of age. If the event takes place on premises not owned or
28 possessed by the permittee, alcoholic beverages may be transported by the
29 mobile bar services permit holder to the premises of the event no earlier than
30 8:00 A.M., and, at the conclusion of the event, all alcoholic beverages must
31 be removed from the premises no later than 12:00 noon of the following day.
32 A limited special occasion permit shall not be required for an event at which
33 alcoholic beverages are exclusively provided by the holder of a mobile bar
34 services permit. The holder of a mobile bar services permit may bring
35 alcoholic beverages onto the premises and serve the alcoholic beverages at an
36 event regardless of whether there is a charge or fee for guests to attend the
37 event. This permit does not allow the retail sale of individual alcoholic
38 beverages to guests at an event."

39 **SECTION 4.(e)** G.S. 18B-1007 reads as rewritten:

40 **"§ 18B-1007. Additional requirements for mixed beverages permittees.**

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

46 **SECTION 4.(f)** This section is effective when it becomes law and applies to
47 spirituous liquor purchased on or after that date.

48
49 **ALLOW ABC STORES TO OPEN ON SUNDAYS WITH LOCAL GOVERNMENT**
50 **APPROVAL**

51 **SECTION 5.(a)** G.S. 18B-802 reads as rewritten:

"§ 18B-802. When stores operate.

(a) Time. – No ABC store shall be open, and no ABC store employee shall sell alcoholic beverages, between 9:00 P.M. and 9:00 A.M. On Sundays, where the appointing authority of a local board has authorized Sunday sales, no ABC store shall be open, and no ABC store employee shall sell alcoholic beverages, before the earlier of (i) 10:00 A.M. if the appointing authority has adopted an ordinance pursuant to G.S. 153A-145.7(a) or G.S. 160A-205.3(a), or (ii) 12:00 noon. The local board shall otherwise determine opening and closing hours of its stores.

(b) Days. – No ABC store shall be open, and no ABC store employee shall sell alcoholic beverages, on any ~~Sunday~~, Sunday unless authorized by an ordinance adopted pursuant to G.S. 18B-112(b2), 153A-145.7(b), or 160A-205.3(b), Easter, Thanksgiving Day, or Christmas Day. A local board may otherwise determine the days on which its stores shall be closed."

SECTION 5.(b) G.S. 18B-112 is amended by adding a new subsection to read:

"(b2) In accordance with G.S. 18B-802(b), and only if the tribal alcoholic beverage control commission petitions the tribe to do so, the Eastern Band of Cherokee Indians or the Catawba Indian Nation may adopt a tribal ordinance allowing each respective tribal alcoholic beverage control commission to operate ABC stores on Sundays. If a tribe adopts an ordinance pursuant to this subsection, it shall notify the Commission within seven days of the adoption of the ordinance."

SECTION 5.(c) G.S. 153A-145.7 reads as rewritten:

"§ 153A-145.7. Hours of certain alcohol sales.

(a) In accordance with G.S. 18B-1004(c), a county may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001.

(b) In accordance with G.S. 18B-802(b), and only if a local ABC board appointed by the board of county commissioners petitions the board of county commissioners to do so, a county may adopt an ordinance allowing the local ABC board to operate ABC stores on Sundays. If a county adopts an ordinance pursuant to this subsection, it shall notify the Commission within seven days of the adoption of the ordinance."

SECTION 5.(d) G.S. 160A-205.3 reads as rewritten:

"§ 160A-205.3. Hours of certain alcohol sales.

(a) In accordance with G.S. 18B-1004(c), a city may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001.

(b) In accordance with G.S. 18B-802(b), and only if a local ABC board appointed by the governing body of a city petitions the governing body of the city to do so, a city may adopt an ordinance allowing the local ABC board to operate ABC stores on Sundays. For a local ABC board with multiple municipal appointing authorities, the local ABC board may operate ABC stores on Sundays in any municipality that is an appointing authority for the local ABC board and that adopts an ordinance allowing the local board to do so. If a city adopts an ordinance pursuant to this subsection, it shall notify the Commission within seven days of the adoption of the ordinance."

SECTION 5.(e) G.S. 18B-1004(c) reads as rewritten:

"(c) Sunday Hours. – Except as authorized pursuant to G.S. 18B-112(b1), ~~153A-145.7, or 160A-205.3,~~ 153A-145.7(a), or 160A-205.3(a), it shall be unlawful to sell or consume alcoholic beverages on any licensed premises from the time at which sale or consumption must cease on Sunday morning until 12:00 Noon on that day."

INCLUDE WHIPPED CREAM IN THE DEFINITION OF ALCOHOL CONSUMABLE

SECTION 6.(a) G.S. 18B-101(4a) reads as rewritten:

1 "(4a) "Alcohol consumable" means any manufactured and packaged ice cream,
2 whipped cream, ice pop, gum-based, or gelatin-based food product containing
3 at least one-half of one percent (0.5%) alcohol by volume."

4 **SECTION 6.(b)** This section becomes effective December 1, 2026, and applies to
5 offenses committed on or after that date.

6 7 **PROVIDE MIXED BEVERAGES PERMITTEES WITH PRIOR NOTICE OF** 8 **APPORTIONED PRODUCT LOTTERY**

9 **SECTION 7.(a)** G.S. 18B-800 is amended by adding a new subsection to read:

10 "(c6) Prior Notice of Lottery. – At least 30 days prior to the date it plans to conduct a lottery
11 or other random drawing to sell apportioned products to mixed beverage permittee customers of
12 an ABC store, the local board conducting the lottery or other random drawing shall provide each
13 mixed beverage permittee with written notice of the lottery or other random drawing by email or
14 first-class mail. For purposes of this subsection, the term "apportioned products" means
15 containers of spirituous liquor that are made available to local boards only by random drawings
16 conducted by the Commission."

17 **SECTION 7.(b)** This section becomes effective July 1, 2026, and applies to lotteries
18 or other random drawings to sell apportioned products on or after that date.

19 20 **AUTHORIZE TEMPORARY AND VARIABLE PRICING PROMOTIONS**

21 **SECTION 8.(a)** G.S. 18B-1005 is amended by adding a new subsection to read:

22 "(c) Variable Pricing. – Notwithstanding any provision of this Chapter to the contrary, an
23 establishment holding an on-premises malt beverage permit, on-premises unfortified wine
24 permit, on-premises fortified wine permit, mixed beverages permit, or any combination thereof
25 may offer temporary pricing adjustments on alcoholic beverages sold by the establishment
26 subject to all of the following conditions:

27 (1) The price adjustment shall be applicable for a specified and limited duration
28 of time within a single business day.

29 (2) All pricing adjustments shall be publicly posted within the licensed premises
30 and shall be made available to the Commission upon request.

31 (3) Pricing adjustments shall comply with all applicable State and federal laws,
32 rules, and regulations concerning the responsible service of alcohol.

33 (4) Advertising of the price and type of alcoholic beverages is allowed through
34 either or both of the following:

35 a. On outside signage located on the permittee's premises, subject to any
36 applicable local ordinances regulating outdoor signage.

37 b. Via newspapers, radio, television, and other mass media."

38 **SECTION 8.(b)** This section becomes effective October 1, 2026, and applies to
39 alcoholic beverages sold on or after that date.

40 41 **CLARIFY PERMISSION TO TAKE MIXED BEVERAGES ONTO PERMITTED** 42 **PREMISES IN A SOCIAL DISTRICT**

43 **SECTION 9.** G.S. 18B-300.1(f) reads as rewritten:

44 "(f) Limitations on Open Containers. – Except where otherwise allowed by local
45 ordinance, the possession and consumption of an open container of an alcoholic beverage in a
46 social district is subject to all of the following requirements:

47 ...

48 (6) Notwithstanding G.S. 18B-300 and G.S. 18B-301, a permittee or
49 non-permittee business may allow a customer to possess and consume on the
50 business's premises alcoholic beverages purchased from a permittee in the
51 social district. A permittee business that is not permitted to sell mixed

1 beverages may allow a customer to possess and consume on the business's
2 premises mixed beverages purchased from a mixed beverages permittee in the
3 social district."

4
5 **CLARIFY WHEN SPECIAL ONE-TIME PERMITS ARE REQUIRED FOR**
6 **NONPROFIT ORGANIZATIONS**

7 **SECTION 10.** G.S. 18B-1002(a) reads as rewritten:

8 "(a) Kinds of Permits. – In addition to the other permits authorized by this Chapter, the
9 Commission may issue permits for the following activities:

10 ...

11 (2) A permit may be issued to a nonprofit organization to allow the retail sale of
12 malt beverages, unfortified wine, fortified wine, or mixed beverages, or to
13 allow brown-bagging, at a single fund-raising event of that organization. A
14 permit for this purpose shall not be issued for the sale of any kind of alcoholic
15 beverage in a jurisdiction where the sale of that alcoholic beverage is not
16 lawful. A permit is not required under this subdivision for an event conducted
17 by a nonprofit organization on premises permitted under G.S. 18B-1001(1),
18 18B-1001(2), 18B-1001(3), 18B-1001(4), 18B-1001(5), 18B-1001(6), or
19 18B-1001(10) if the wine, malt beverages, and spirituous liquor sold at the
20 event are sold by the retail permittee from the retail permittee's inventory.

21 ...

22 (5) A permit may be issued to a unit of local government, or to a nonprofit
23 organization or a political organization to serve wine, malt beverages, and
24 spirituous liquor at a ticketed event held to allow the unit of local government
25 or organization to raise funds. A permit is not required under this subdivision
26 for a ticketed event conducted by a nonprofit organization on the premises
27 holding a permit under G.S. 18B-1001(1), 18B-1001(2), 18B-1001(3),
28 18B-1001(4), 18B-1001(5), 18B-1001(6), or 18B-1001(10) if the wine, malt
29 beverages, and spirituous liquor served at the event are served by the retail
30 permittee from the retail permittee's inventory. For purposes of this
31 subdivision "nonprofit organization" means an organization that is exempt
32 from taxation under Section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(8),
33 501(c)(10), 501(c)(19), or 501(d) of the Internal Revenue Code or is exempt
34 under similar provisions of the General Statutes as a bona fide nonprofit
35 charitable, civic, religious, fraternal, patriotic, or veterans' organization or as
36 a nonprofit volunteer fire department, or as a nonprofit volunteer rescue squad
37 or a bona fide homeowners' or property owners' association. For purposes of
38 this subdivision "political organization" means an organization covered by the
39 provisions of G.S. 163-96(a)(1) or (2) or a campaign organization established
40 by or for a person who is a candidate who has filed a notice of candidacy, paid
41 the filing fees or filed the required petition, and been certified as a candidate.
42 The issuance of this permit shall also allow the use for culinary purposes of
43 spirituous liquor lawfully purchased for use in mixed beverages. The issuance
44 of this permit shall also allow a nonprofit organization to offer alcoholic
45 beverages in the manufacturer's original closed container as a prize in a raffle
46 or sell alcoholic beverages in the manufacturer's original closed container at
47 auction at the ticketed event to allow the nonprofit organization to raise funds.

48"

49
50 **REVISE REQUIREMENTS FOR RECEIVING A TEMPORARY PERMIT**

51 **SECTION 11.(a)** G.S. 18B-905 reads as rewritten:

1 **"§ 18B-905. Temporary permits.**

2 When an application has been received in proper form, with the required application fee, the
 3 Commission may issue a temporary permit for any of the activities for which permits are
 4 authorized under G.S. 18B-1001 and 18B-1100. If the person has applied to the applicable local
 5 government for the Inspection/Zoning Compliance and Local Government Opinion forms
 6 required for the application but has not received approvals or denials from the local government,
 7 the applicant may submit a sworn affidavit with the application stating that the person has applied
 8 to the local government for the Inspection/Zoning Compliance and Local Government Opinion
 9 approvals in lieu of those approvals. The person shall send the local government approvals or
 10 denials to the Commission within three business days of receiving the approvals or denials. A
 11 temporary permit may be revoked summarily by the Commission without complying with the
 12 provisions of Chapter 150B. Revocation of a temporary permit or withdrawal by the Commission
 13 of a pending application by a permittee possessing a temporary permit shall be effective upon
 14 service of the notice of revocation or withdrawal upon the permittee at either the permittee's
 15 residence or the address given for the business in the permit application or upon the expiration
 16 of five business days after the notice of the revocation or withdrawal has been mailed to the
 17 permittee at either the permittee's residence or the address given for the business in the permit
 18 application. No further notice shall be required."

19 **SECTION 11.(b)** This section becomes effective October 1, 2026, and applies to
 20 applications received on or after that date.

21
 22 **REVISE LAW REGULATING THE SALE AND DELIVERY OF MORE THAN ONE**
 23 **DRINK AT A TIME TO A SINGLE PATRON**

24 **SECTION 12.(a)** G.S. 18B-1010(a) reads as rewritten:

25 "(a) ~~Except as otherwise provided in this section, the~~ The holder of an on-premises malt
 26 beverage permit, on-premises unfortified wine permit, on-premises fortified wine permit, ~~or~~
 27 ~~mixed beverages permit issued under G.S. 18B-1001~~ permit, or a permittee otherwise authorized
 28 to sell malt beverages, unfortified wine, fortified wine, or mixed beverages for on-premises
 29 consumption, may sell and deliver not more than two alcoholic beverage drinks at one time to a
 30 single patron with the following limitations: patron.

- 31 (1) ~~Not more than two alcoholic beverage drinks at one time if the alcoholic~~
 32 ~~beverage drinks are any of the following:~~
 33 a. ~~A malt beverage.~~
 34 b. ~~Unfortified wine.~~
 35 c. ~~Fortified wine.~~
 36 (2) ~~Not more than one alcoholic beverage at one time if an alcoholic beverage~~
 37 ~~drink is a mixed beverage or contains spirituous liquor."~~

38 **SECTION 12.(b)** G.S. 18B-1001(10) reads as rewritten:

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

- 45 a. Restaurants.
 46 b. Hotels.
 47 c. Private clubs.
 48 d. Convention centers.
 49 e. Community theatres.
 50 f. Nonprofit organizations.
 51 g. Political organizations.

- h. Sports and entertainment venues.
- i. Bars.
- j. The holder of a distillery permit authorized under G.S. 18B-1105.
- k. Breweries.
- l. Wineries.

Additionally, a mixed beverages permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, winery, or the holder of a distillery permit to sell at retail mixed beverages for consumption off the premises, including delivery by the permittee or a delivery service permittee. A mixed beverage sold for consumption off the premises must be sold with food and shall be (i) a premixed cocktail in the manufacturer's original closed container, or (ii) packaged in a container with a secure lid or cap, and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. In accordance with G.S. 20-138.7, the transportation of a mixed beverage in a motor vehicle shall not be unlawful if the container is an unopened manufacturer's original container or is transported in a locked container, in the trunk, or in the area behind the last upright seat in a motor vehicle not equipped with a trunk. Notwithstanding G.S. 18B-1010, the sale of more than ~~one mixed beverage drink~~ two mixed beverage drinks at one time shall not be unlawful if the mixed beverage drinks are sold for delivery or consumption off the permittee's premises. No mixed beverage ordered for off-premises consumption shall be provided to any person other than the purchaser of the mixed beverage, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the mixed beverage to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1)."

SECTION 12.(c) This section becomes effective October 1, 2026, and applies to alcoholic beverages sold on or after that date.

REVISE LAW GOVERNING POSSESSION AND CONSUMPTION OF FORTIFIED WINE AND SPIRITUOUS LIQUOR WITHOUT AN ABC PERMIT

SECTION 13.(a) G.S. 18B-301 reads as rewritten:

"§ 18B-301. Possession and consumption of fortified wine and spirituous liquor.

(a) Possession at Home. – It shall be lawful, without an ABC permit, for any person at least 21 years old to possess for lawful purposes any amount of fortified wine and spirituous liquor at ~~his~~ the person's home or a temporary residence, such as a hotel room.

(b) Possession on Other Property. – It shall be lawful, without an ABC permit, for a person to possess for his or her personal use and the use of his or her guests not more than eight liters of fortified wine or spirituous liquor, or eight liters of the two combined, at the following places:

- (1) The residence of any other person with that person's ~~consent~~; consent.
- (2) Any other property ~~not primarily used for commercial purposes and that is not a permitted premises and is not~~ open to the public at the time the alcoholic beverage is possessed, if the owner or other person in charge of the property consents to that possession and ~~consumption~~; consumption.
- (3) An establishment with a brown-bagging permit as defined in G.S. 18B-1001(7).

1 (b1) Possession in a Social District or Common Area. – It shall be lawful, without an ABC
2 permit, for a person to possess an open container of fortified wine or spirituous liquor in a social
3 district or a designated consumption area under a common area entertainment permit in
4 compliance with the provisions of G.S. 18B-300.1 or G.S. 18B-1001.5, respectively.

5 (c) Special Occasions. – It shall be lawful for a person to possess, without a permit and
6 not for sale, any amount of fortified wine or spirituous liquor for a private party, private reception,
7 or private special occasion, at any of the following places:

8 (1) ~~His~~The person's home or a temporary residence, such as a hotel room; room.

9 (2) Any other property ~~not primarily used for commercial purposes,~~ which is
10 under ~~his~~the person's exclusive control and supervision, and which is not open
11 to the public during the ~~event;~~event.

12 (3) The licensed premises of any business for which the Commission has issued
13 a special occasions permit under G.S. 18B-1001(8), if ~~he~~the person is the host
14 of that private function and has the permission of the permittee.

15 (d) Consumption. – It shall be lawful for a person to consume fortified wine and
16 spirituous liquor in any place where it is lawful for ~~him~~the person to possess those alcoholic
17 beverages under subsections (a) through (c).

18"

19 **SECTION 13.(b)** This section becomes effective October 1, 2026, and applies to
20 fortified wine and spirituous liquor possessed and consumed on or after that date.

21 ADD TWO MEMBERS TO THE ABC COMMISSION

22 **SECTION 14.(a)** G.S. 18B-200 reads as rewritten:

23 "§ 18B-200. North Carolina Alcoholic Beverage Control Commission.

24 (a) Creation of Commission; compensation. – The North Carolina Alcoholic Beverage
25 Control Commission is created to consist of a ~~chairman~~chair and ~~two~~four associate members.
26 The Commission shall be administratively located within the Department of Public Safety but
27 shall exercise its powers independently of the Secretary of Public Safety. ~~The chairman shall~~
28 ~~devote his full time to his official duties and receive a salary fixed by the General Assembly in~~
29 ~~the Current Operations Appropriations Act.~~The chair of the Commission shall be employed
30 full-time and shall receive a salary fixed by the General Assembly. The associate members shall
31 be compensated for per diem, subsistence and travel as provided in Chapter 138 of the General
32 Statutes.

33 (b) Appointment of Members. – ~~Members~~The members of the Commission shall be
34 appointed as follows:

35 (1) The chair of the Commission~~Commission~~, who shall be appointed by the
36 Governor to serve at the pleasure of the Governor.

37 (2) Two associate members, who shall be appointed by the Governor to serve at
38 his pleasure~~the pleasure of the Governor.~~

39 (3) One associate member, who shall be a current or former holder of a retail or
40 commercial ABC permit, who shall be appointed by the President Pro
41 Tempore of the Senate to serve at the pleasure of the President Pro Tempore.

42 (4) One associate member, who shall be a current or former holder of a retail or
43 commercial ABC permit, who shall be appointed by the Speaker of the House
44 of Representatives to serve at the pleasure of the Speaker.

45 (c) Vacancy. – The ~~Governor~~appointing authority shall fill any vacancy on the
46 Commission by appointing a successor to serve at ~~the Governor's pleasure.~~the pleasure of the
47 appointing authority. If the ~~chairman's~~chair's seat becomes vacant, the Governor may designate
48 either the new member or an existing member of the Commission as the ~~chairman~~chair.

49 (d) Employees. – The Commission may authorize the ~~chairman~~chair to employ,
50 discharge, and otherwise supervise subordinate personnel of the Commission. The Commission
51

1 shall appoint at least one employee to make investigations, hold hearings requested under
2 G.S. 18B-1205, and represent the Commission in contested case hearings or perform any other
3 duties authorized by Chapter 150B."

4 **SECTION 14.(b)** G.S. 18B-201(a) reads as rewritten:

5 "(a) Financial Interests Restricted. – No person shall be appointed to or employed by the
6 ~~Commission, a local board, board~~ or the ALE Division if that person or a member of that person's
7 family related to that person by blood or marriage to the first degree has or controls, directly or
8 indirectly, a financial interest in any commercial alcoholic beverage enterprise, including any
9 business required to have an ABC permit. The Commission may exempt from this provision any
10 ~~person, other than a Commission member, person~~ when the financial interest in question is so
11 insignificant or remote that it is unlikely to affect the person's official actions in any way.
12 Exemptions may be granted only to individuals, not to groups or classes of people, and each
13 exemption shall be in writing, be available for public inspection, and contain a statement of the
14 financial interest in question."

15 **SECTION 14.(c)** This section becomes effective December 1, 2026.

17 **THREE-YEAR STATUTE OF LIMITATIONS FOR ABC VIOLATIONS**

18 **SECTION 15.(a)** G.S. 18B-104 reads as rewritten:

19 **"§ 18B-104. Administrative penalties.**

20 (a) Penalties. – ~~For~~ Unless otherwise provided by law, for any violation of the ABC laws,
21 the Commission may take any of the following actions against a permittee:

- 22 (1) Suspend the permittee's permit for a specified period of time not longer than
23 three years.
- 24 (2) Revoke the permittee's permit.
- 25 (3) For all violations not listed in subdivision (3a) of this subsection, fine the
26 permittee up to five hundred dollars (\$500.00) for the first violation, up to
27 seven hundred fifty dollars (\$750.00) for the second violation within three
28 years, and up to one thousand dollars (\$1,000) for the third violation within
29 three years of the first violation.
- 30 (3a) If the violations involve acts of violence, controlled substances, or prostitution
31 occurring on the licensed premises, fine the permittee up to seven hundred
32 fifty dollars (\$750.00) for the first violation, up to one thousand dollars
33 (\$1,000) for a second violation within three years, and up to one thousand two
34 hundred fifty dollars (\$1,250) for a third violation within three years of the
35 first violation. Additionally, the Commission may impose conditions on the
36 operating hours of the business for violations listed in this subdivision.
- 37 (4) Suspend the permittee's permit under subdivision (1) of this subsection and
38 impose a fine under subdivision (3) or ~~(3a).~~(3a) of this subsection.

39 ...

40 (f) Statute of Limitations. – The Commission shall not seek any administrative penalties
41 under this section unless the Commission, within three years of a permittee's alleged violation of
42 the ABC laws, sends the permittee a notice of alleged violation or files a petition for a contested
43 case against the permittee in accordance with G.S. 18B-906. Any contested case commenced or
44 maintained by the Commission in violation of this subsection shall be dismissed. This subsection
45 does not prohibit the Commission from refileing a contested case that was dismissed without
46 prejudice in accordance with G.S. 1A-1, Rule 41(a) of the Rules of Civil Procedure, provided
47 that the Commission refiles the contested case within three years of the permittee's alleged
48 violation of the ABC laws or within one year of the dismissal without prejudice, whichever is
49 later. This subsection does not apply to orders of suspension or revocation pursuant to
50 G.S. 18B-900(f), 18B-904(e)(2), or 18B-904(e)(4)."

51 **SECTION 15.(b)** G.S. 18B-1001.4(f) reads as rewritten:

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

14 **SECTION 15.(c)** This section is effective when it becomes law and applies to
15 contested cases commenced or maintained on or after that date.

17 **TAX RELIEF FOR SMALL BREWERIES AND MICRODISTILLERIES**

18 **SECTION 16.(a)** G.S. 105-113.68 reads as rewritten:

19 **"§ 105-113.68. Definitions; scope.**

20 (a) Definitions. – The following definitions apply in this Article:

21 ...

22 (4b) Barrel. – Defined in G.S. 81A-9.

23 (4c) Bonded premises. – Defined in 26 U.S.C. § 5002.

24 (4d) Controlled group. – Any group of incorporated or non-incorporated
25 businesses that have common ownership interests, including individuals,
26 partnerships, and corporations. A business is considered to be part of a
27 controlled group if more than fifty percent (50%) of the business is owned
28 either by, or in common with, another business or other businesses.

29 (4e) Distillery permittee. – A distillery that holds a distillery permit issued by the
30 ABC Commission under G.S. 18B-1105.

31 ...

32 (7a) Microdistillery. – A distillery that withdraws no more than 50,000 proof
33 gallons of spirituous liquor annually from bonded premises. If a distillery is
34 part of a controlled group, the controlled group must withdraw no more than
35 50,000 proof gallons of spirituous liquor annually from bonded premises.

36 ...

37 (8a) Proof gallon. – A liquid gallon of distilled spirits that is 50 percent alcohol at
38 60 degrees Fahrenheit.

39 ...

40 (10a) Small brewery. – A brewery that produces no more than 600,000 barrels of
41 malt beverages annually. If a brewery is part of a controlled group, the
42 controlled group must produce no more than 600,000 barrels of malt
43 beverages annually.

44 "

45 **SECTION 16.(b)** Part 5 of Article 2C of Chapter 105 of the General Statutes is
46 amended by adding a new section to read:

47 **"§ 105-113.85A. Credit allowed.**

48 (a) Credit. – When filing a return, a taxpayer is allowed a credit as provided for in this
49 section against the tax imposed by this Article. A credit authorized under this section must be
50 subtracted from the tax due prior to calculating any discount under G.S. 105-113.85. A credit is
51 authorized for the following:

1 (1) A local ABC Board or distillery in an amount equal to the tax due in the period
2 covered by the return that is attributable to the sale of spirituous liquor
3 produced by a registered microdistillery.

4 (2) A wholesaler or importer in an amount equal to the tax due in the period
5 covered by the return that is attributable to the sale of malt beverages produced
6 by a registered small brewery.

7 (b) Registration. – The credit authorized under this section is available on products
8 attributable to a microdistillery or a small brewery that are sold during a month in which the
9 microdistillery or small brewery is registered under this section. The Secretary shall prescribe
10 the manner in which a person may register as a microdistillery or small brewery. Registration
11 must be accompanied by a written certificate signed under penalty of perjury that the person
12 qualifies as a microdistillery or small brewery, as applicable. The Secretary may request any
13 information necessary to verify that the person qualifies or continues to qualify for registration
14 under this subsection.

15 The Secretary shall keep a record of all persons registered under this subsection sorted by
16 designation. The list shall state the name and business address of each person registered. The
17 Secretary shall make available the list required under this subsection on the Department's
18 website. A person registered under this subsection that no longer qualifies as a microdistillery or
19 small brewery shall promptly notify the Secretary. A person must be removed from the list if the
20 Secretary determines that the person no longer qualifies as a microdistillery or small brewery or
21 if the person fails to respond to the Secretary's request for information verifying the person's
22 continued eligibility for registration under this subsection.

23 (c) Forfeiture. – A taxpayer may rely on the list published by the Department under
24 subsection (b) of this section when taking the credit authorized under this section; however, the
25 taxpayer forfeits the credit taken under this section on product produced by a person registered
26 under subsection (b) of this section for any month in which the Department determines the credit
27 was not allowed as provided for under this subsection. If the Department determines that a
28 taxpayer avoided tax by taking a credit in violation of this subsection, the taxpayer is liable for
29 all past taxes avoided as a result of any forfeited credits plus interest at the rate established under
30 G.S. 105-241.21, computed from the date the taxes would have been due if the forfeited credits
31 had not been taken. The Secretary shall also charge the taxpayer with a penalty equal to
32 twenty-five percent (25%) of the amount of taxes avoided. The past taxes, penalty and interest
33 are due 30 days after the date the credits are forfeited; a taxpayer that fails to pay the past taxes,
34 penalty and interest by the due date is subject to the penalties provided in G.S. 105-236. A credit
35 is not allowed on spirituous liquor, antique spirituous liquor, or malt beverages which are:

36 (1) Sold by the distillery or brewery that produced the product in any month in
37 which the distillery or brewery was registered but did not qualify as a
38 microdistillery or small brewery, as applicable.

39 (2) Sold by a person other than the distillery or brewery that produced the product
40 in any month in which the person knew the distillery or brewery was registered
41 but did not qualify as a microdistillery or small brewery, as applicable.

42 **SECTION 16.(c)** This section becomes effective January 1, 2027, and applies to
43 malt beverages and spirituous liquor first sold or otherwise disposed of on or after that date;
44 however, the Secretary of Revenue may begin registering persons as a microdistillery or small
45 brewery under G.S. 105-113.85A(b), as enacted by this section, on September 1, 2026.

46 **ESTABLISH SERVICE BUSINESS PERMIT**

47 **SECTION 17.(a)** G.S. 18B-300(a1) reads as rewritten:

48 "(a1) Consumption on Premises During Time of Permit Revocation or Suspension. – It shall
49 be unlawful to consume or for a permittee or ~~his~~ a permittee's agent or employee to allow the
50 consumption of malt beverages or unfortified wine on the premises of any business during the
51

1 period of time that any on-premises permit or service business permit issued to the business
2 authorizing the sale ~~and~~or consumption of malt beverages or unfortified wine has been suspended
3 or revoked by the Commission. The prohibition in this subsection does not apply to the premises
4 upon which the business was located at the time the permit was suspended or revoked if the
5 business ceases to operate in that location and the owner of the property is not the permittee,
6 provided that the permittee is not engaged in any other business or other activity on the premises
7 during the period of suspension or revocation."

8 **SECTION 17.(b)** G.S. 18B-603 is amended by adding a new subsection to read:

9 "(i) Service Business Permits. – The Commission may only issue service business permits
10 provided for in G.S. 18B-1001(26) to qualified persons and establishments located within a
11 jurisdiction in which on-premises malt beverage permits or on-premises unfortified wine permits
12 may be issued, subject to the following restrictions:

13 (1) If on-premises malt beverage permits, but not on-premises unfortified wine
14 permits, may be issued in the jurisdiction, the service business permittee may
15 furnish only malt beverages to customers.

16 (2) If on-premises unfortified wine permits, but not on-premises malt beverage
17 permits, may be issued in the jurisdiction, the service business permittee may
18 furnish only unfortified wine to customers.

19 (3) If on-premises malt beverage permits and on-premises unfortified wine
20 permits may be issued in the jurisdiction, the service business permittee may
21 furnish malt beverages and unfortified wine to customers."

22 **SECTION 17.(c)** G.S. 18B-902 reads as rewritten:

23 **"§ 18B-902. Application for permit; fees.**

24 ...

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

27 ...

28 (57) Service business permit – \$50.00.

29 ...

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

50 **SECTION 17.(d)** G.S. 18B-903 reads as rewritten:

51 **"§ 18B-903. Duration of permit; renewal and transfer.**

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

3 (1) On-premises and off-premises malt beverage, unfortified wine, and fortified
4 wine permits; service business permits; culinary permits; and all permits listed
5 in G.S. 18B-1100 shall remain valid indefinitely.

6 ...

7 (b1) Registration. – Each person holding a malt beverage, fortified wine, ~~or unfortified~~
8 ~~wine permit~~ unfortified wine, or service business permit issued pursuant to G.S. 18B-902(d)(1)
9 through G.S. 18B-902(d)(6) ~~or G.S. 18B-902(d)(57)~~ shall register by May 1 of each year on a
10 form provided by the Commission, in order to provide information needed by the State in
11 enforcing this Chapter and to support the costs of that enforcement. For permits issued pursuant
12 to G.S. 18B-902(d)(1) through G.S. 18B-902(d)(6), the registration required by this
13 subsection shall be accompanied by an annual registration and inspection fee of four hundred
14 dollars (\$400.00) for each permit held. For permits issued pursuant to G.S. 18B-902(d)(57), the
15 registration required by this subsection shall be accompanied by an annual registration and
16 inspection fee of fifty dollars (\$50.00) for each permit held. The fee shall be paid by May 1 of
17 each year. A registration fee shall not be refundable. Failure to pay the annual registration and
18 inspection fee shall result in revocation of the permit.

19 (b2) Recycling Plan Required. – Each person holding an on-premises malt beverage
20 permit, on-premises unfortified wine permit, service business permit, on-premises fortified wine
21 permit, or a mixed beverages permit shall submit, along with the annual registration or renewal
22 application, either a current plan for the collection and recycling of all recyclable beverage
23 containers of all beverages furnished or sold at retail on the premises, or an application for a
24 waiver pursuant to G.S. 18B-902(h). Each person holding a mobile bar services permit shall
25 submit, along with the annual renewal application, either a current plan for the collection and
26 recycling of all recyclable beverage containers of all beverages to be served at an event pursuant
27 to the permit, or an application for a waiver pursuant to G.S. 18B-902(h).

28"

29 **SECTION 17.(e)** G.S. 18B-1000 reads as rewritten:

30 "**§ 18B-1000. Definitions concerning establishments.**

31 The following requirements and definitions shall apply to this Chapter:

32 ...

33 (7a) Service business. – An establishment that is primarily engaged in the business
34 of providing services to the general public that require an occupational license
35 issued by the State.

36 (7a)(7b) Sports and entertainment venue. – Stadiums, ballparks, and other similar
37 facilities with a permanently constructed seating capacity of 3,000 or more
38 which are not located on the campus of a school, college, or university.

39"

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

41 "(26) Service Business Permit. – A service business permit authorizes the permittee
42 to furnish complimentary malt beverages and unfortified wine to customers,
43 in conjunction with the provision of the service, for consumption on the
44 permittee's premises at no extra charge to the customers. The permittee may
45 furnish alcoholic beverages to customers only in accordance with
46 G.S. 18B-603(i). The permittee may not serve more than two servings of
47 alcoholic beverages to any individual customer in any calendar day. For
48 purposes of this subdivision, a serving of malt beverage is 16 fluid ounces,
49 and a serving of unfortified wine is 8 fluid ounces. Notwithstanding
50 G.S. 18B-1006(h), the permittee may purchase malt beverages and unfortified
51 wine only from a retailer. The permit may be issued to service businesses."

1 **SECTION 17.(g)** G.S. 18B-1006.1(a) reads as rewritten:

2 "(a) Holders of on-premises malt beverage permits, on-premises unfortified wine permits,
3 service business permits, on-premises fortified wine permits, and mixed beverages permits shall
4 separate, store, and provide for the collection for recycling of all recyclable beverage containers
5 of all beverages sold or furnished at retail on the premises. A permittee has satisfied the
6 requirements of this section if it implements a recycling program that meets the minimum
7 standards of the model recycling program developed by the Commission pursuant to
8 G.S. 130A-309.14(m). Failure to comply with the requirements of this section shall not be
9 grounds for revocation of a permit. A conviction for violation of this section shall not constitute
10 an alcoholic beverage offense within the meaning of G.S. 18B-900(a)(4)."

11 **SECTION 17.(h)** This section becomes effective July 1, 2026.

12 13 **COUNTY MIXED BEVERAGE ELECTION AMENDMENT**

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

15 "(b) County Elections. – Any county may hold a malt beverage, unfortified wine, or ABC
16 store election. A county may hold a mixed beverage election only if (i) the county already
17 operates at least one county ABC store or a city located in the county operates at least one ABC
18 store, or (ii) a county election on ABC stores is to be held at the same time as the mixed beverage
19 election. If a county does not operate at least one ABC store, a mixed beverages permittee may
20 purchase liquor from an ABC store that is designated as a mixed beverage ABC store operated
21 by any local board operating in the same county as the permittee."

22 **SECTION 18.(b)** This section is retroactively effective October 1, 2024.

23 24 **BROWN BAGGING TECHNICAL CORRECTION**

25 **SECTION 19.** G.S. 18B-603(d) reads as rewritten:

26 "(d) Mixed Beverage Elections. – If a mixed beverage election is held under
27 G.S. 18B-602(h) and the sale of mixed beverages is approved, the Commission may issue permits
28 to qualified persons and establishments in the jurisdiction that held the election as follows:

29 ...

30 (4) The Commission may issue brown-bagging permits for bars, private clubs
31 clubs, and congressionally chartered veterans organizations but may no longer
32 issue and may not renew brown-bagging permits for restaurants, hotels, and
33 community theatres. A restaurant, hotel, or community theatre may not be
34 issued a mixed beverage permit under subdivision (1) until it surrenders its
35 brown-bagging permit.

36 "

37 38 **AIRPORT TECHNICAL CORRECTION**

39 **SECTION 20.** G.S. 18B-300.3 reads as rewritten:

40 "**§ 18B-300.3. Possession and consumption of alcoholic beverages in the security-screened**
41 **area of airports.**

42 (a) During the hours of airport operation, any establishment permitted under subdivision
43 (1), (3), (5), or (10) of ~~G.S. 18B-1000~~G.S. 18B-1001 and operating in the Transportation Security
44 Administration-screened portion of an airport may, with the written approval of the airport
45 authority, sell the alcoholic beverages it is permitted to sell for consumption throughout the
46 Transportation Security Administration-screened portion of the establishment's respective airport
47 terminal.

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

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

- 1 (2) The container displays, in no less than 12-point font, the statement, "Drink
2 Responsibly – Be 21."
3 (3) The container shall not hold more than 16 fluid ounces.
4 (c) A customer may purchase and consume alcoholic beverages throughout the interior
5 of the Transportation Security Administration-screened portion of the respective airport terminal,
6 provided that the purchase is from an approved establishment permitted under subdivision (1),
7 (3), (5), or (10) of ~~G.S. 18B-1000~~G.S. 18B-1001.
8 (d) This section applies only to airports that service airplanes boarding at least 150,000
9 passengers annually."
10

11 **ALLOW ALCOHOL SALES AT MILLENNIAL CAMPUSES AT UNIVERSITY OF**
12 **NORTH CAROLINA INSTITUTIONS AND AT THE HORACE WILLIAMS CAMPUS**
13 **OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

14 **SECTION 21.** G.S. 18B-1006(a) reads as rewritten:

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

18 ...

- 19 (5) Restaurants, eating establishments, food businesses, or retail businesses on the
20 property defined by ~~G.S. 116-198.33(4)~~subdivisions (4), (4a), or (4b) of
21 G.S. 116-198.33.

22"

23 **ALLOW THE SALE OF PREMIXED COCKTAILS FOR ON-PREMISES AND**
24 **OFF-PREMISES CONSUMPTION AND ALLOW WHOLESALERS TO DISTRIBUTE**
25 **PREMIXED COCKTAILS**

26 **SECTION 22.(a)** G.S. 18B-100 reads as rewritten:

27 **"§ 18B-100. Purpose of Chapter.**

28 This Chapter is intended to establish a uniform system of control over the sale, purchase,
29 transportation, manufacture, consumption, and possession of alcoholic beverages in North
30 Carolina, and to provide procedures to ~~insure~~ensure the proper administration of the ABC laws
31 under a uniform system throughout the State. This Chapter shall be liberally construed to the end
32 that the sale, purchase, transportation, manufacture, consumption, and possession of alcoholic
33 beverages shall be prohibited except as authorized in this Chapter. If any provision of this
34 Chapter, or its application to any person or circumstance, is determined by a court or other
35 authority of competent jurisdiction to be invalid or unconstitutional, such provision shall be
36 stricken and the remaining provisions shall be construed in accordance with the intent of the
37 General Assembly to further limit rather than expand commerce in alcoholic beverages, and with
38 respect to malt beverages, unfortified wine, premixed cocktails, and fortified wine, the remaining
39 provisions shall be construed to enhance strict regulatory control over taxation, distribution, and
40 sale of alcoholic beverages through the three-tier regulatory system and the franchise laws
41 imposed by this Chapter.

42 Except as provided in this Chapter, local ordinances establishing different rules on the
43 manufacture, sale, purchase, transportation, possession, consumption, or other use of alcoholic
44 beverages, or requiring additional permits or fees, are prohibited."

45 **SECTION 22.(b)** G.S. 18B-101 reads as rewritten:

46 **"§ 18B-101. Definitions.**

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

48 ...

- 49 (4) "Alcoholic beverage" means any beverage containing at least one-half of one
50 percent (0.5%) alcohol by volume, including malt beverages, unfortified wine,

1 premixed cocktails, fortified wine, spirituous liquor, mixed beverages, and
 2 any alcohol consumable.
 3 ...
 4 (5c) "Bailment surcharge" means the charge imposed on each case of liquor or
 5 premixed cocktails shipped from a Commission warehouse as provided in
 6 G.S. 18B-208. This bailment surcharge is in addition to the bailment charge
 7 imposed by ~~G.S. 18B-804(b)(2)~~ G.S. 18B-804(b)(2) and G.S. 18B-804(e)(2).
 8 (5d) "Brokerage" means a business that brokers the sale of spirituous liquor or
 9 premixed cocktails on behalf of the holder of a distillery permit issued under
 10 G.S. 18B-1105, a business located outside the State that is licensed or
 11 permitted to manufacture spirituous liquor or premixed cocktails in the
 12 jurisdiction where the business is located and whose products are lawfully sold
 13 in this State, or a liquor importer or bottler.
 14 ...
 15 (10) "Mixed beverage" means ~~either of the following:~~ a drink composed in whole
 16 or in part of spirituous liquor and served in a quantity less than the quantity
 17 contained in a closed package. The term "mixed beverage" does not include
 18 premixed cocktails.
 19 a. ~~A drink composed in whole or in part of spirituous liquor and served~~
 20 ~~in a quantity less than the quantity contained in a closed package.~~
 21 b. ~~A premixed cocktail sold by a mixed beverages permittee, regardless~~
 22 ~~of whether the premixed cocktail is sold in an open container or a~~
 23 ~~closed container.~~
 24 ...
 25 (12c) "Premixed cocktail" means a single-serving drink in the manufacturer's
 26 original closed container of 24 fluid ounces or less containing at least one-half
 27 of one percent (0.5%), and no more than thirteen percent (13%), alcohol by
 28 volume and consisting of spirituous liquor premixed with any or all of the
 29 following: nonalcoholic beverages, flavoring, or coloring. A premixed
 30 cocktail may contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide,
 31 preservatives, and other similar products manufactured by fermenting fruit or
 32 fruit juices.
 33 ...
 34 (14) "Spirituous liquor" or "liquor" means distilled spirits or ethyl alcohol, and any
 35 alcohol consumable containing distilled spirits or ethyl alcohol, including
 36 spirits of wine, whiskey, rum, brandy, gin and all other distilled spirits and
 37 mixtures of ~~cordials, cordials and liqueur, and premixed cocktails,~~ in closed
 38 containers regardless of their dilution. The terms "spirituous liquor" and
 39 "liquor" do not include premixed cocktails.
 40 "
 41 **SECTION 22.(c)** G.S. 18B-105 reads as rewritten:
 42 **"§ 18B-105. Advertising.**
 43 ...
 44 (c) ~~A beer or wine~~ beer, wine, or premixed cocktail wholesaler may give, furnish, loan,
 45 rent, or sell retailer advertising specialty items and product displays to a retail permittee, so long
 46 as the items have not been customized for an individual retail permittee, and provided that the
 47 value of the items per brand does not exceed six hundred dollars (\$600.00) per year. For the
 48 purposes of this subsection, the following definitions apply:
 49 (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items
 50 from which malt beverages, wine, premixed cocktails, or spirituous liquor are
 51 displayed and sold.

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

8 (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items
9 from which malt beverages, wine, premixed cocktails, or spirituous liquor are
10 displayed and sold.

11"

12 **SECTION 22.(d)** G.S. 18B-106 reads as rewritten:

13 **"§ 18B-106. Alcoholic beverages for use on oceangoing ships.**

14 (a) Delivery Permitted. – Alcoholic beverages for use outside the United States on
15 oceangoing vessels shall be delivered as follows:

16 ...

17 (2) Malt beverages, unfortified wine, premixed cocktails, and fortified wine may
18 be sold and delivered by any wholesaler or retailer licensed ~~in this~~ in this State
19 to an officer or agent of an oceangoing vessel. The Commission may require
20 the officer or agent to obtain a permit before purchasing alcoholic beverages
21 under this subdivision.

22 ...

23 (c) Rules. – The Commission may issue rules relating to applications for permits and
24 otherwise regulate the importation, sale, and delivery of alcoholic beverages under this section
25 to ~~insure that~~ ensure that those beverages are used only on oceangoing vessels outside the United
26 States."

27 **SECTION 22.(e)** G.S. 18B-107(a) reads as rewritten:

28 "(a) Purchase and Storage. – The Commission may issue permits authorizing air carriers
29 offering regularly scheduled or chartered flights in foreign, interstate, or intrastate commerce to
30 purchase malt beverages, unfortified wine, premixed cocktails, and fortified wine from any
31 wholesaler or retailer licensed in this State, and to transport those ~~alcoholic~~ alcoholic beverages.
32 The Commission may also authorize air carriers to store, at facilities approved by the
33 Commission, alcoholic beverages to be sold or served pursuant to ~~subsection (b)~~ subsection (b)
34 of this section."

35 **SECTION 22.(f)** G.S. 18B-108 reads as rewritten:

36 **"§ 18B-108. Sales on trains.**

37 Alcoholic beverages may be sold on railroad trains in this State upon compliance with Article
38 2C of Chapter 105 of the General Statutes. Malt beverages, unfortified wine, premixed cocktails,
39 and fortified wine may be sold and delivered by any wholesaler or retailer licensed in this State
40 to an officer or agent of a rail line that carries at least 60,000 passengers annually or is at least
41 100 miles long and connects to the national rail network."

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

43 "(b) Armed Forces Installation and Indian Country Lands. – No person shall have ~~malt~~
44 ~~beverages or unfortified wine~~ malt beverages, unfortified wine, or premixed cocktails shipped
45 directly from a point outside this State to: (i) an installation of the Armed Forces of the United
46 States within this State if those alcoholic beverages are for resale on the installation; (ii) the
47 Eastern Band of Cherokee Indians for resale on Indian Country lands within this State under the
48 jurisdiction of the Eastern Band of Cherokee Indians; or (iii) the Catawba Indian Nation for resale
49 on Indian Country lands within this State under the jurisdiction of the Catawba Indian Nation."

50 **SECTION 22.(h)** G.S. 18B-112 reads as rewritten:

51 **"§ 18B-112. Tribal alcoholic beverage control.**

1 ...
 2 (b) Compliance Required. – The Eastern Band of Cherokee Indians and the Catawba
 3 Indian Nation shall comply with the following provisions of this Chapter to the extent they apply
 4 to or can be made applicable to each tribe:

5 (1) The following provisions of Article 1. – General Provisions.

6 a. G.S. 18B-101(4), (7), (7c), (9), (10), (11), (12), (12a), (12c), (13),
 7 ~~(14)(14a)~~, (14), (14a), (14b), and (15).

8 ...

9 ...

10 Any provision of ~~Articles 12 and 13~~ Articles 12, 13, and 14 of this Chapter which has not
 11 been made applicable to the Eastern Band of Cherokee Indians and the Catawba Indian Nation
 12 by this section shall act as a bar to engaging in any activity authorized by that Article or section.

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

18 ...

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

33 ...

34 (f) Authority of the North Carolina Alcoholic Beverage Control Commission. – The
 35 North Carolina Alcoholic Beverage Control Commission shall have the authority to enter into
 36 agreements with the tribal alcoholic beverage control commission to provide for the sale,
 37 delivery, and distribution of spirituous liquor and premixed cocktails to the tribal alcoholic
 38 beverage control commission. The tribal alcoholic beverage control commission shall purchase
 39 spirituous liquor and premixed cocktails for resale by the tribal alcoholic beverage control
 40 commission exclusively from the North Carolina Alcoholic Beverage Control Commission at the
 41 same price and on the same basis that such ~~spirits~~ alcoholic beverages are purchased by local
 42 boards. To the extent there is a conflict between the tribal alcoholic beverage control
 43 commission's authority or purpose and the North Carolina Alcoholic Beverage Control
 44 Commission's authority or purpose, the North Carolina Alcoholic Beverage Control Commission
 45 shall prevail. This subsection shall not be construed to prohibit retail permittees from purchasing
 46 premixed cocktails from premixed cocktail wholesaler permittees licensed under this Chapter.

47"

48 **SECTION 22.(i)** G.S. 18B-203(a) reads as rewritten:

49 "(a) Powers. – The Commission shall have authority to:

50 (1) Administer the ABC ~~laws~~; laws.

- 1 (2) Provide for enforcement of the ABC laws, in conjunction with the ALE
2 ~~Division;~~Division.
- 3 (3) Set the prices of alcoholic beverages sold in local ABC stores as provided in
4 Article ~~8;~~8. This subdivision shall not be construed to allow the Commission
5 to set the prices of premixed cocktails sold outside of local ABC stores.
- 6 (4) Require reports and audits from local boards as provided in
7 ~~G.S. 18B-205;~~G.S. 18B-205.
- 8 (5) Determine what brands of alcoholic beverages may be sold in this ~~State;~~State.
- 9 (6) Contract for State ABC warehousing, as provided in
10 ~~G.S. 18B-204;~~G.S. 18B-204.
- 11 (7) Dispose of damaged alcoholic beverages, as provided in
12 ~~G.S. 18B-806;~~G.S. 18B-806.
- 13 (8) Remove for cause any member or employee of a local ~~board;~~board.
- 14 (9) Supervise or disapprove purchasing by any local board and inspect all records
15 of purchases by local ~~boards;~~boards.
- 16 (10) Approve or disapprove rules adopted by any local ~~board;~~board.
- 17 (11) Approve or disapprove the opening and location of ABC stores, as provided
18 in Article ~~8;~~8.
- 19 (12) Issue ABC permits, and impose sanctions against ~~permittees;~~permittees.
- 20 (13) Provide for the testing of alcoholic beverages, as provided in
21 ~~G.S. 18B-206;~~G.S. 18B-206.
- 22 (14) Fix the amount of bailment charges and bailment surcharges to be assessed on
23 liquor and premixed cocktails shipped from a Commission
24 ~~warehouse;~~warehouse.
- 25 (15) Collect bailment charges and bailment surcharges from local ~~boards;~~boards.
- 26 (16) Notwithstanding any law to the contrary, enter into contracts for design and
27 construction of a warehouse or warehouses and supervise work and materials
28 used in the construction, as provided in ~~G.S. 18B-204;~~G.S. 18B-204.
- 29 (17) Provide for the distribution of spirituous liquor and premixed cocktails to: (i)
30 installations of the Armed Forces of the United States within this State for
31 resale on the installation; (ii) the Eastern Band of Cherokee Indians for resale
32 on Indian Country lands within this State under the jurisdiction of the Eastern
33 Band of Cherokee Indians; and (iii) to the Catawba Indian Nation for resale
34 on Indian Country lands within the State under the jurisdiction of the Catawba
35 Indian Nation. This subdivision shall not be construed to limit the ability of
36 licensed premixed cocktail wholesalers to sell and distribute premixed
37 cocktails to: (i) installations of the Armed Forces of the United States within
38 this State for resale on the installation; (ii) the Eastern Band of Cherokee
39 Indians for resale on Indian Country lands within this State under the
40 jurisdiction of the Eastern Band of Cherokee Indians; or (iii) the Catawba
41 Indian Nation for resale on Indian Country lands within the State under the
42 jurisdiction of the Catawba Indian Nation.
- 43 (18) Provide for the distribution and posting of warning signs to local ABC boards
44 regarding the dangers of alcohol consumption during pregnancy as required
45 under ~~G.S. 18B-808;~~G.S. 18B-808.

46"

47 **SECTION 22.(j)** G.S. 18B-204 reads as rewritten:

48 **"§ 18B-204. State warehouse.**

49 (a) Contracting for Private Warehouse. – The Commission shall provide for the receipt,
50 storage, and distribution of spirituous liquor and premixed cocktails by one of the following
51 methods:

1 (1) By negotiated contract with a privately owned warehouse.
 2 (2) By negotiated contract with privately owned warehouses in several regions of
 3 the State. The Commission shall choose locations for the warehouses to
 4 promote efficient distribution of spirituous liquor and premixed cocktails to
 5 all local boards, to maintain control of ~~that liquor,~~ the liquor and premixed
 6 cocktails, and to insure the Commission's supervision of warehousing
 7 procedures.

8 (3) By the construction of a warehouse, and by contracting for receipt, storage
 9 and distribution of spirituous liquor and premixed cocktails by an independent
 10 contractor, by negotiated contract or by the use of procedures for purchase and
 11 contract by State agencies, for the operation of that warehouse.

12 (a1) Distribution of Spirituous Liquor; Liquor and Premixed Cocktails; No Discrimination.
 13 – The Commission shall make a good-faith effort, without discrimination, to make all spirituous
 14 liquor and premixed cocktails distributed by the Commission available to all local boards. The
 15 Commission shall adopt rules regarding the ordering of spirituous liquor and premixed cocktails
 16 by local boards and may suspend distribution to a local board of any limited product required to
 17 be recorded pursuant to subsection (a3) of this section for a violation of any rule concerning the
 18 ordering of the limited product.

19 ...
 20 (b) Audits and Inspections. – Contracts entered into pursuant to this section shall provide
 21 all of the following:

22 ...
 23 (3) That all warehouse accounts relating to the receipt, storage, or distribution of
 24 spirituous liquor and premixed cocktails be subject to audit by the State
 25 Auditor.

26 (c) Emergency or Temporary Operation. – If the independent operator of a warehouse
 27 changes, or if some other occurrence results in substantially impeded distribution of spirituous
 28 liquor or premixed cocktails from a warehouse, the Commission may operate that warehouse on
 29 an interim emergency or temporary basis.

30"

31 **SECTION 22.(k)** G.S. 18B-206(c) reads as rewritten:

32 "(c) Testing. – The Commission may test malt beverages, unfortified wine, premixed
 33 cocktails, fortified wine, and spirituous liquor possessed or offered for sale in this State to
 34 determine whether they meet the standards set by the Commission. If the Commission chooses
 35 to test an alcoholic beverage, that test may be performed by the Commission, the Commission
 36 may arrange for the State Chemist to perform the testing, or the Commission may have the testing
 37 performed in some other manner. The manufacturer of tested alcoholic beverages shall pay the
 38 costs of the test. In lieu of testing an alcoholic beverage, the Commission may rely on testing by
 39 a federal agency or an agency of another state or may accept test results from a federal agency,
 40 an agency of another state, or the manufacturer of the alcoholic beverage or his authorized agent.
 41 A manufacturer who submits test results shall also submit a fee of ten dollars (\$10.00) for each
 42 test result to cover administrative costs."

43 **SECTION 22.(l)** G.S. 18B-209 reads as rewritten:

44 "**§ 18B-209. Authority to sample spirituous liquor and premixed cocktail products.**

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

51 **SECTION 22.(m)** G.S. 18B-211 reads as rewritten:

1 **"§ 18B-211. Special purchase allowance limitation.**

2 The Commission shall notify industry members and local boards at least 60 days in advance
3 of the effective date of an approved retail price reduction for a spirituous liquor or premixed
4 cocktail product. The price of the spirituous liquor or the premixed cocktail for local boards shall
5 be reduced only for the 30 days that the approved retail price reduction is in effect."

6 **SECTION 22.(n)** G.S. 18B-300, as amended by Section 17.(a) of this act reads as
7 rewritten:

8 **"§ 18B-300. Purchase, possession and consumption of ~~malt beverages and unfortified~~**
9 **~~wine,malt beverages, unfortified wine, and premixed cocktails.~~**

10 (a) Generally. – Except as otherwise provided in this Chapter, the purchase, consumption,
11 and possession of ~~malt beverages and unfortified wine~~malt beverages, unfortified wine, and
12 premixed cocktails by individuals 21 years old and older for their own use is permitted without
13 restriction.

14 (a1) Consumption on Premises During Time of Permit Revocation or Suspension. – It shall
15 be unlawful to consume or for a permittee or a permittee's agent or employee to allow the
16 consumption of ~~malt beverages or unfortified wine~~malt beverages, unfortified wine, or premixed
17 cocktails on the premises of any business during the period of time that any on-premises permit
18 or service business permit issued to the business authorizing the sale or consumption of ~~malt~~
19 ~~beverages or unfortified wine~~malt beverages, unfortified wine, or premixed cocktails has been
20 suspended or revoked by the Commission. The prohibition in this subsection does not apply to
21 the premises upon which the business was located at the time the permit was suspended or
22 revoked if the business ceases to operate in that location and the owner of the property is not the
23 permittee, provided that the permittee is not engaged in any other business or other activity on
24 the premises during the period of suspension or revocation.

25 (b) Consumption at Off-Premises Establishment. – It shall be unlawful to consume, or
26 for a permittee to allow the consumption of, ~~malt beverages or unfortified wine~~malt beverages,
27 unfortified wine, or premixed cocktails on any premises having only an off-premises permit for
28 the kind of alcoholic beverage being consumed.

29 (c) Local Ordinance. – A city or county may by ~~ordinance~~ordinance do any of the
30 following:

- 31 (1) Regulate or prohibit the consumption of ~~malt beverages and unfortified~~
32 ~~wine~~malt beverages, unfortified wine, and premixed cocktails on the public
33 streets in that city or county by persons who are not occupants of motor
34 vehicles and on property owned, occupied, or controlled by that city or
35 ~~county~~county.
- 36 (2) Regulate or prohibit the possession of open containers of ~~malt beverages and~~
37 ~~unfortified wine~~malt beverages, unfortified wine, and premixed cocktails on
38 public streets in that city or county by persons who are not occupants of motor
39 vehicles and on property owned, occupied, or controlled by that city or ~~county~~
40 ~~and~~county.
- 41 (3) Regulate or prohibit the possession of ~~malt beverages and unfortified~~
42 ~~wine~~malt beverages, unfortified wine, and premixed cocktails on public
43 streets, alleys, or parking lots which are temporarily closed to regular traffic
44 for special events.

45 For the purposes of this subsection, an open container means a container whose seal has been
46 broken or a container other than the manufacturer's unopened original container. As provided by
47 G.S. 18B-102(a), possession or consumption of alcoholic beverages is unlawful except as
48 authorized by the ABC law."

49 **SECTION 22.(o)** G.S. 18B-300.1 reads as rewritten:

50 **"§ 18B-300.1. Authorization and regulation of social districts.**

51 ...

1 (j) Interaction with Other Permits. – The Commission shall issue permits for special
2 events occurring partially or entirely within the boundaries of a social district as follows:

3 ...

4 (2) A permittee holding a winery special event permit, malt beverage special
5 event permit, ~~or~~ spirituous liquor special event ~~permit~~ permit, or premixed
6 cocktail special event permit pursuant to G.S. 18B-1114.1, 18B-1114.5, and
7 18B-1114.7, and 18B-1114.9, respectively, may sell and serve products at
8 special events taking place in a social district.

9 (3) A permittee holding a mixed beverages catering permit pursuant to
10 G.S. 18B-1001(12) may serve spirituous liquor and premixed cocktails to
11 guests at events taking place in a social district."

12 **SECTION 22.(p)** G.S. 18B-301(f) reads as rewritten:

13 "(f) Unlawful Possession or Use. – As illustration, but not limitation, of the general
14 prohibition stated in G.S. 18B-102(a), it shall be unlawful for:

15 (1) Any person to consume fortified wine, premixed cocktails, spirituous liquor,
16 or mixed beverages or to offer such beverages to another person at any of the
17 following places:

18 a. Unless a consumer tasting authorized by G.S. 18B-1114.7 is being
19 conducted, on the premises of an ABC store.

20 b. Upon any property used or occupied by a local board.

21 c. On any public road, street, highway, or sidewalk, unless a consumer
22 tasting authorized by G.S. 18B-1114.7 or G.S. 18B-1114.9 is being
23 conducted.

24 (2) Any person to display publicly at an athletic contest fortified wine, spirituous
25 liquor, or mixed ~~beverages;~~ beverages.

26 (3) Any person to permit any fortified wine, spirituous liquor, or mixed beverages
27 to be possessed or consumed upon any premises not authorized by this
28 ~~Chapter;~~ Chapter.

29 (4) Any person to possess or consume any fortified wine, spirituous liquor, or
30 mixed beverages upon any premises where such possession or consumption is
31 not authorized by law, or where the person has been forbidden to possess or
32 consume that beverage by the owner or other person in charge of the
33 ~~premises;~~ premises.

34 (5) Any person to possess on any of the premises described in subsections (a)
35 through (c) of this section a greater amount of fortified wine or spirituous
36 liquor than authorized by this ~~Chapter;~~ Chapter.

37 (6) Any permittee, other than a mixed beverage or culinary permittee, to possess
38 spirituous liquor or mixed beverages on ~~his~~ the permittee's licensed premises.

39 (7) Any person to possess on his or her person or consume ~~malt beverages or~~
40 ~~unfortified wine~~ malt beverages, unfortified wine, or premixed cocktails upon
41 any property owned or leased by a local board of education and used by the
42 local board of education for school purposes. Provided, however, the
43 prohibition in G.S. 18B-102(a) and this subdivision shall not apply on
44 property owned by a local board of education which was leased for 99 years
45 or more to a nonprofit auditorium authority created prior to 1991 whose
46 governing board is appointed by a city board of aldermen, a county board of
47 commissioners, or a local school board."

48 **SECTION 22.(q)** G.S. 18B-302 reads as rewritten:

49 "**§ 18B-302. Sale to or purchase by underage persons.**

50 (a) Sale. – It is unlawful for any person to do any of the following:

- 1 (1) Sell ~~malt beverages or unfortified wine~~malt beverages, unfortified wine, or
2 premixed cocktails to anyone less than 21 years old.
- 3 (2) Sell fortified wine, spirituous liquor, or mixed beverages to anyone less than
4 21 years old.
- 5 (a1) Give. – It is unlawful for any person to do any of the following:
- 6 (1) Give ~~malt beverages or unfortified wine~~malt beverages, unfortified wine, or
7 premixed cocktails to anyone less than 21 years old.
- 8 (2) Give fortified wine, spirituous liquor, or mixed beverages to anyone less than
9 21 years old.
- 10 (b) Purchase, Possession, or Consumption. – It is unlawful for a person less than 21 years
11 old to do any of the following:
- 12 (1) Purchase, attempt to purchase, or possess ~~malt beverages or unfortified~~
13 ~~wine~~malt beverages, unfortified wine, or premixed cocktails.
- 14 (2) Purchase, attempt to purchase, or possess fortified wine, spirituous liquor, or
15 mixed beverages.
- 16 (3) Consume any alcoholic beverage.

17"

18 **SECTION 22.(r)** G.S. 18B-401(a) reads as rewritten:

19 "(a) Opened Containers. – Except as authorized by a common carrier vehicle permit under
20 G.S. 18B-1001(23), it shall be unlawful for a person to transport ~~fortified wine~~premixed
21 cocktails, fortified wine, or spirituous liquor in the passenger area of a motor vehicle in other
22 than the manufacturer's unopened original container. It shall be unlawful for a person who is
23 driving a motor vehicle on a highway or public vehicular area to consume in the passenger area
24 of that vehicle any malt beverage or unfortified wine. Violation of this subsection shall constitute
25 a Class 3 misdemeanor."

26 **SECTION 22.(s)** G.S. 18B-404 reads as rewritten:

27 "**§ 18B-404. Additional provisions for purchase and transportation by mixed beverage**
28 **permittees.**

29 ...

30 (e) Electronic Payment. – A local board shall accept electronic payments for any
31 spirituous liquor and premixed cocktails purchased by a mixed beverages permittee. A local
32 board may not charge a fee for accepting electronic payments under this subsection. For purposes
33 of this subsection, the term "electronic payment" means payment by debit card or by electronic
34 funds transfer as defined in G.S. 105-228.90, but does not include payment by charge card or
35 credit card.

36 ...

37 (g) Premixed Cocktails. – A mixed beverage permittee may purchase premixed cocktails
38 from either a premixed cocktail wholesaler permittee licensed under this Chapter or an ABC store
39 designated as a mixed beverage ABC store. The premixed cocktail wholesaler permittee may
40 offer delivery services to retail permittees authorized to sell premixed cocktails."

41 **SECTION 22.(t)** G.S. 18B-503(e) reads as rewritten:

42 "(e) Sale Procedure. – The procedure for the sale of seized alcoholic beverages shall be as
43 follows:

- 44 (1) Wine. – The sale of unfortified wine or fortified wine shall be by public
45 auction unless those wines would likely become spoiled or lose value in the
46 time required to arrange a public auction. If spoilage or loss of value is likely,
47 the judge ordering the sale or the Commission may authorize sale at the
48 prevailing wholesale price, as determined by the Commission, to one or more
49 persons holding the appropriate retail wine permits in the county in which the
50 wine was seized, or in a neighboring county if there are no such persons in the
51 county in which the wine was seized.

- 1 (2) Premixed cocktails. – The sale of premixed cocktails shall be by public
 2 auction unless those premixed cocktails would likely become spoiled or lose
 3 value in the time required to arrange a public auction. If spoilage or loss of
 4 value is likely, the judge ordering the sale or the Commission may authorize
 5 either of the following:
 6 a. Sale at the prevailing wholesale price, as determined by the
 7 Commission, to one or more persons holding a retail permit
 8 authorizing the sale of premixed cocktails in the county in which the
 9 premixed cocktails were seized, or in a neighboring county if there are
 10 no such persons in the county in which the premixed cocktails were
 11 seized.
 12 b. Sale to the local ABC board serving the city or county in which the
 13 premixed cocktails were seized, or, if there is no local board for that
 14 city or county, to the nearest local board. The sale price shall be at least
 15 ten percent (10%) less than the price the local board would pay for the
 16 same premixed cocktails bought through the State warehouse.
 17 (3) Spirituous liquor. – Spirituous liquor may be sold only to the local ABC board
 18 serving the city or county in which the liquor was seized, or, if there is no local
 19 board for that city or county, to the nearest local board. The sale price shall be
 20 at least ten percent (10%) less than the price the local board would pay for the
 21 same liquor bought through the State warehouse."

22 **SECTION 22.(u)** G.S. 18B-600(h) reads as rewritten:

23 "(h) Railroad Passenger Terminus Location Elections. – Notwithstanding any other
 24 provision of this section, any city or town that is the passenger terminus of a rail line that carries
 25 at least 60,000 passengers annually may hold an election authorized by subdivisions (a)(1) and
 26 (a)(2) of this section. Any election held under this subsection shall be for the on-premises sale of
 27 malt beverages and premixed cocktails and the on-premises sale of unfortified wine and premixed
 28 cocktails pursuant to G.S. 18B-602(a)(2) and G.S. 18B-602(d)(2)."

29 **SECTION 22.(v)** G.S. 18B-602 reads as rewritten:

30 "**§ 18B-602. Form of ballots.**

31 (a) Malt Beverage Elections. – Any one or more of the propositions listed below may be
 32 placed on the ballot for a malt beverage election. Each voter may vote on each proposition on the
 33 ballot. The propositions to be used shall be chosen by the governing body or petitioner requesting
 34 the election. The propositions shall read as follows:

- 35 (1) To permit the "on-premises" and "off-premises" sale of malt
 36 ~~beverages.~~beverages and premixed cocktails.
 37 [] FOR
 38 [] AGAINST
 39 (2) To permit the "on-premises" sale only of malt ~~beverages.~~beverages and
 40 premixed cocktails.
 41 [] FOR
 42 [] AGAINST
 43 (3) To permit the "off-premises" sale only of malt ~~beverages.~~beverages and
 44 premixed cocktails.
 45 [] FOR
 46 [] AGAINST
 47 (4) To permit the "on-premises" sale of malt beverages and premixed cocktails by
 48 Class A hotels, motels, and restaurants only; and to permit "off-premises"
 49 sales by other permittees.
 50 [] FOR
 51 [] AGAINST

1 (b) Determining Results of Malt Beverage Election. – The kind of ~~malt~~alcoholic
 2 beverage sales described in each proposition that receives a majority of votes "FOR" shall be
 3 allowed. If propositions (2) and (4) are both on the ballot and (2) receives a majority of votes
 4 "FOR," then sales shall be permitted according to that proposition regardless of the vote on (4).
 5 If one of the propositions receiving a majority of votes "FOR" is proposition (1), then the kind
 6 of sales described in that proposition shall be allowed regardless of the vote on any other
 7 proposition at that election.

8 ...
 9 (d) Unfortified Wine Elections. – Any one or more of the propositions listed below may
 10 be placed on the ballot for an unfortified wine election. Each voter may vote on each proposition
 11 on the ballot. The propositions to be used shall be chosen by the governing body or petitioner
 12 requesting the election. The propositions shall read as follows:

- 13 (1) To permit the "on-premises" and "off-premises" sale of unfortified ~~wine~~wine
 14 and premixed cocktails.
 15 FOR
 16 AGAINST
- 17 (2) To permit the "on-premises" sale only of unfortified ~~wine~~wine and premixed
 18 cocktails.
 19 FOR
 20 AGAINST
- 21 (3) To permit the "off-premises" sale only of unfortified ~~wine~~wine and premixed
 22 cocktails.
 23 FOR
 24 AGAINST

25 (e) Determining Results of Unfortified Wine Election. – The kind of ~~unfortified wine~~
 26 alcoholic beverage sales described in each proposition that receives a majority of votes "FOR"
 27 shall be allowed. If one of the propositions receiving a majority of votes "FOR" is proposition
 28 (1), then the kind of sales described in that proposition shall be allowed, regardless of the vote
 29 on any other proposition at that election.

30 ...
 31 (h) Mixed Beverage Elections. – The ballot for a mixed beverage election shall state the
 32 proposition as follows:

33 To permit the sale of mixed beverages in hotels, restaurants, private clubs, community
 34 theatres, and convention centers and the "on-premises" and "off-premises" sale of ~~malt beverages~~
 35 ~~and unfortified wine~~malt beverages, unfortified wine, and premixed cocktails in qualified
 36 establishments.

- 37 FOR
- 38 AGAINST"

39 **SECTION 22.(w)** G.S. 18B-603, as amended by Sections 4.(c) and 17.(b) of this act,
 40 reads as rewritten:

41 **"§ 18B-603. Effect of alcoholic beverage elections on issuance of permits.**

42 ...
 43 (d) Mixed Beverage Elections. – If a mixed beverage election is held under
 44 G.S. 18B-602(h) and the sale of mixed beverages is approved, the Commission may issue permits
 45 to qualified persons and establishments in the jurisdiction that held the election as follows:

- 46 ...
- 47 (3a) The Commission may issue ~~either~~any of the following permits in any
 48 jurisdiction that has voted to permit the sale of mixed beverages, regardless of
 49 any other local act concerning sales of those kinds of alcoholic beverages:
 50 a. On-premises malt beverage permits to any establishment that meets
 51 the requirements of G.S. 18B-1001(1).

- 1 b. On-premises unfortified wine permits to any establishment that meets
2 the requirements of G.S. 18B-1001(3).
3 c. On-premises fortified wine permits to any establishment that meets the
4 requirements of G.S. 18B-1001(5).

5 ...

6 ...

7 (d2) If a county or city holds a mixed beverage election and an ABC store election at the
8 same time and the voters approve the sale of mixed beverages but do not approve the
9 establishment of an ABC store, the Commission may issue mixed beverages permits in that
10 county or city.

11 ...

12 (h) Permits Based on Existing Permits. – In any county which borders on the Atlantic
13 Ocean and where (i) the sale of malt beverage on and off premises, the sale of unfortified wine
14 on and off premises, the sale of mixed beverages, and the operation of an ABC system has been
15 allowed in at least six cities in the county, or in any county adjacent to that county in which an
16 ABC system has been allowed, or (ii) the sale of malt beverage on and off premises, the sale of
17 unfortified wine on and off premises, the sale of mixed beverages, and the operation of an ABC
18 system has been allowed in at least eight cities in the county, the Commission may issue permits
19 to sports clubs as defined in G.S. 18B-1000(8) throughout the county.

20 The Commission may issue any of the following permits:

- 21 (1) On and Off Premises Malt ~~Beverage;~~Beverage.
22 (2) On and Off Premises Unfortified ~~Wine;~~Wine.
23 (3) On and Off Premises Fortified ~~Wine;~~or Wine.
24 (4) Mixed Beverages.

25 The Commission may also issue on-premises malt beverage, unfortified wine, fortified
26 ~~wine~~wine, and mixed beverages permits to a sports club located in a county adjacent to any
27 county that has approved the sale of mixed beverages pursuant to G.S. 18B-603(d1), if the county
28 in which the sports club is located borders another state and has at least one city that has approved
29 the sale of mixed beverages. Sports clubs holding malt beverage, unfortified wine, fortified wine,
30 or mixed beverages permits may purchase premixed cocktails from a premixed cocktail
31 wholesaler permittee licensed under this Chapter or from any ABC store in this State that is
32 designated as a mixed beverage ABC store.

33 The Commission may further issue on-premises malt beverage and on-premises unfortified
34 wine permits to a sports club located in a county bordering on another state that is adjacent to
35 any county in which permits were issued pursuant to this subsection prior to August 1, 1993. The
36 sports clubs must be located in the unincorporated areas of a county, in which the sale of malt
37 beverages and unfortified wine is not permitted, and where there are six or more municipalities
38 in that county where the sale of malt beverages and unfortified wine is permitted.

39 (i) Service Business Permits. – The Commission may only issue service business permits
40 provided for in G.S. 18B-1001(26) to qualified persons and establishments located within a
41 jurisdiction in which on-premises malt beverage permits or on-premises unfortified wine permits
42 may be issued, subject to the following restrictions:

- 43 (1) If on-premises malt beverage permits, but not on-premises unfortified wine
44 permits, may be issued in the jurisdiction, the service business permittee may
45 furnish only malt beverages and premixed cocktails to customers.
46 (2) If on-premises unfortified wine permits, but not on-premises malt beverage
47 permits, may be issued in the jurisdiction, the service business permittee may
48 furnish only unfortified wine and premixed cocktails to customers.
49 (3) If on-premises malt beverage permits and on-premises unfortified wine
50 permits may be issued in the jurisdiction, the service business permittee may

furnish malt ~~beverages~~beverages, premixed cocktails, and unfortified wine to customers."

SECTION 22.(x) G.S. 18B-701(a) reads as rewritten:

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

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

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

...

e. The independent contractor contractually assumes liability for any damage, breakage, or theft of the ~~spirituous liquor~~alcoholic beverages to be delivered from the time possession is taken by the independent contractor from the local board until delivery of the ~~spirituous liquor~~alcoholic beverages to the ABC store is acknowledged in writing by the manager or an employee of that ABC store.

...."

SECTION 22.(y) G.S. 18B-707 reads as rewritten:

"§ 18B-707. Authority to sample spirituous liquor and premixed cocktail products.

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

SECTION 22.(z) G.S. 18B-708 reads as rewritten:

"§ 18B-708. Sale of certain spirituous liquors and premixed cocktails below distiller's price.

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

...."

SECTION 22.(aa) G.S. 18B-800 reads as rewritten:

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

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

(a1) Premixed Cocktails. – In addition to spirituous liquor, ABC stores may sell premixed cocktails.

1 (b) Fortified Wine. – In addition to ~~spirituous liquor,~~spirituous liquor and premixed cocktails, ABC
2 stores may sell fortified wine. ABC stores may also sell wine products, irrespective of alcohol
3 content by volume, which were classified as fortified wine by the ABC Commission prior to July
4 7, 2004.

5 (b1) Consumer Specialty Items. – ABC stores may sell branded consumer specialty items
6 such as bottle or can openers, cork screws, muddlers, ashtrays, shopping bags, individual can
7 coolers, drinking glasses, clothing, or key chains that are packaged with a spirituous liquor or
8 premixed cocktail product. A branded consumer specialty item shall not include a tobacco, vapor,
9 or hemp product or tobacco, vapor, or hemp paraphernalia. The Commission may approve the
10 retail price for a spirituous liquor or premixed cocktail product packaged by the producer with
11 one or more branded specialty items at a different price than an individual bottle or container of
12 the same spirituous liquor or premixed cocktail product. The local board shall not remove a
13 spirituous liquor or premixed cocktail product packaged by the producer with one or more
14 branded specialty items from the package.

15 ...

16 (c2) Orders of Eligible Distillery Products by Mixed Beverages Permittees. – A local
17 board shall fulfill an order by a mixed beverages permittee for individual bottles or cases of
18 spirituous liquor and premixed cocktails produced by an eligible distillery that are listed as a
19 regular code item for sale in the State. If a local board cannot fulfill an order of a mixed beverages
20 permittee for individual bottles or cases of spirituous liquor or premixed cocktails produced by
21 an eligible distillery that are listed as a regular code item for sale in the State because the product
22 ordered is not in the local board's stock inventory or the order cannot otherwise be fulfilled within
23 the time period requested by the permittee, the local board shall notify the Commission within
24 48 hours of the request for the order and request authorization for direct shipment. The
25 Commission shall then determine if the eligible distillery desires to directly ship the ordered
26 product directly to the local board, and if so the Commission shall authorize the eligible distillery
27 to ship the spirituous liquor or premixed cocktails ordered to the local board for the fulfillment
28 of the mixed beverages permittee's order. Merchandise authorized to be shipped by direct
29 shipment under this subsection shall be consigned by the State ABC warehouse to the distiller's
30 account in care of the local board. The local board shall acknowledge receipt of the merchandise
31 on the shipping documents and forward them to the State ABC warehouse for processing through
32 the accounting system as though the merchandise were shipped from the State ABC warehouse.
33 As used in this subsection, an "eligible distillery" is a distillery (i) that sells, to consumers at the
34 distillery, to exporters, to local boards, and to private or public agencies or establishments of
35 other states or nations, fewer than 10,000 proof gallons of in-house brand spirituous liquors and
36 premixed cocktails distilled or produced and manufactured by it at the permit holder's distillery
37 per year, and (ii) that is either the holder of a distillery permit pursuant to G.S. 18B-1105 or is a
38 business located outside the State that is licensed or permitted to manufacture spirituous liquor
39 and premixed cocktails in the jurisdiction where the business is located and whose products are
40 lawfully sold in this State.

41"

42 **SECTION 22.(bb)** G.S. 18B-801(d) reads as rewritten:

43 "(d) Insolvent ABC System. – If an ABC system is insolvent, the local board may apply
44 to the Commission for an order to close the system. Upon receipt of an application, or upon its
45 own motion, the Commission shall investigate the system, and if it finds that further operation of
46 the ABC stores will not be profitable, it may order the system closed. If the Commission orders
47 a local system to close, the Commission ~~may;~~may do any of the following:

- 48 (1) After consultation with the local board, its creditors, and other interested
49 parties, schedule a phase out of the system's business ~~activities;~~activities.
- 50 (2) Represent the local board in negotiations with creditors and other interested
51 ~~parties;~~parties.

- 1 (3) Require an accounting or auditing of the local ~~system;~~system.
 2 (4) Take possession or arrange for the disposition of any liquor or premixed
 3 cocktails for which the local board has not ~~paid;~~paid.
 4 (5) Apply to the Superior Court to be appointed as receiver for the local board
 5 with all powers and duties of a receiver for a corporation under Article 38 of
 6 Chapter 1 of the General Statutes, except that the Commission shall not be
 7 required to post the bond required by ~~G.S. 1-504;~~or G.S. 1-504.
 8 (6) Take any other reasonable steps to promote an orderly closing of the system."

9 **SECTION 22.(cc)** G.S. 18B-804 reads as rewritten:

10 **"§ 18B-804. Alcoholic beverage pricing.**

11 (a) Uniform Price of Spirituous Liquor. – The retail price of spirituous liquor sold in ABC
 12 stores and permitted distilleries shall be uniform throughout the State, unless otherwise provided
 13 by the ABC law. The retail price of premixed cocktails sold in ABC stores shall be uniform
 14 throughout the State.

15 (b) Sale Price of Spirituous Liquor. – The sale of spirituous liquor, including antique
 16 spirituous liquor, sold at the uniform State price shall consist of the following components:

17 ...

- 18 (8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar
 19 services permittee for resale in mixed beverages, a charge of twenty dollars
 20 (\$20.00) on each four liters and a proportional sum on lesser quantities. ~~This~~
 21 ~~subdivision shall not apply to premixed cocktails sold to a mixed beverage~~
 22 ~~permittee in a closed package for resale in or from the closed package, and a~~
 23 ~~mixed beverages tax stamp shall not be required on these closed packages.~~

- 24 (9) If the spirituous liquor is sold to a guest room cabinet permittee for resale, a
 25 charge of twenty dollars (\$20.00) on each four liters and a proportional sum
 26 on lesser quantities.

27 ...

28 (e) Sale Price of Premixed Cocktails. – The retail price of premixed cocktails sold in
 29 ABC stores shall be established by the Commission and shall be uniform throughout the State.
 30 This price shall not affect the price of premixed cocktails sold outside of ABC stores. The sale
 31 of premixed cocktails sold at the uniform State price in ABC stores shall consist of the following
 32 components:

- 33 (1) The distiller's price.
 34 (2) The freight and bailment charges of the State warehouse as determined by the
 35 Commission.
 36 (3) A markup for local boards as determined by the Commission.
 37 (4) The tax levied under G.S. 105-113.80(d).
 38 (5) An additional markup for local boards equal to three and one-half percent (3
 39 ½%) of the sum of subdivisions (1), (2), and (3).
 40 (6) A charge of one cent (1¢) on each bottle containing 50 milliliters or less and
 41 five cents (5¢) on each bottle containing more than 50 milliliters. For any
 42 nonbottled product, a charge of one cent (1¢) on each stock keeping unit
 43 containing not more than 50 milliliters and five cents (5¢) on each stock
 44 keeping unit containing more than 50 milliliters.
 45 (7) The bailment surcharge.
 46 (8) An additional charge for local boards of one cent (1¢) on each bottle
 47 containing 50 milliliters or less and five cents (5¢) on each bottle containing
 48 more than 50 milliliters. For any nonbottled product, a charge of one cent (1¢)
 49 on each stock keeping unit containing not more than 50 milliliters and five
 50 cents (5¢) on each stock keeping unit containing more than 50 milliliters.

(9) A rounding adjustment, the formula of which may be determined by the Commission, so that the sale price will be divisible by five."

SECTION 22.(dd) G.S. 18B-805 reads as rewritten:

"§ 18B-805. Distribution of revenue.

...

(b) **Primary Distribution.** – Before making any other distribution, a local board shall first pay the following from its gross receipts:

...

(4) Each month the local board shall pay to the county commissioners of the county where the ~~charge is~~ charges are collected the proceeds from the ~~charge charges~~ charges required by ~~G.S. 18B-804(b)(6),~~ G.S. 18B-804(b)(6) and (e)(6), to be spent by the county commissioners for the purposes stated in subsection (h) of this section.

(c) **Other Statutory Distributions.** – After making the distributions required by subsection (b), a local board shall make the following quarterly distributions from the remaining gross receipts.

(1) Before making any other distribution under this subsection, the local board shall set aside the clear proceeds of the three and one-half percent (3 ½%) markup provided for in G.S. 18B-804(b)(5) and (e)(5) and the ~~charge charges~~ provided for in ~~G.S. 18B-804(b)(6),~~ G.S. 18B-804(b)(6) and (e)(8), to be distributed as part of the remaining gross receipts under subsection (e) of this section.

...

...

(i) **Calculation of Statutory Distributions When Liquor or Premixed Cocktails Sold at Less Than Uniform Price.** – If a local board sells liquor or premixed cocktails at less than the uniform State price, distributions required by subsections (b) and (c) shall be calculated as though the liquor ~~was or~~ premixed cocktails were sold at the uniform price."

SECTION 22.(ee) G.S. 18B-900 reads as rewritten:

"§ 18B-900. Qualifications for permit.

(a) **Requirements.** – To be eligible to receive and to hold an ABC permit, a person must satisfy all of the following requirements:

...

(2) Be a resident of North Carolina, unless any of the following apply:

...

c. The person is applying for a nonresident malt beverage vendor permit, a nonresident wine vendor permit, a nonresident premixed cocktail vendor permit, a nonresident spirituous liquor vendor permit, or a vendor representative permit.

...

...

To avoid undue hardship, however, the Commission may decline to take action under G.S. 18B-104 against a permittee who is in violation of subdivisions (3), (4), or (5) of this subsection.

...

(d) **Manager of Off-Premises Establishment.** – Although the manager of an establishment operated by a corporation and holding off-premises permits for malt beverages, unfortified wine, or fortified wine is not otherwise required to meet the requirements of this section, the manager must be at least 19 years old and must meet the requirements of subdivisions (3), (4), (5) and (6) of subsection (a) of this section.

...."

1 **SECTION 22.(ff)** G.S. 18B-902, as amended by Section 17.(c) of this act, reads as
 2 rewritten:

3 **"§ 18B-902. Application for permit; fees.**

4 ...
 5 (d) Fees. – An application for an ABC permit shall be accompanied by payment of the
 6 following application fee:

- 7 ...
- 8 (20) Malt beverage importer permit – \$300.00.
- 9 (21) Malt beverage wholesaler permit – \$300.00.
- 10 (21a) Premixed cocktail wholesaler permit – \$300.00.
- 11 ...
- 12 (25) Nonresident malt beverage vendor permit – \$100.00.
- 13 (26) Nonresident wine vendor permit – \$100.00.
- 14 (26a) Nonresident premixed cocktail vendor permit – \$100.00.
- 15 ...
- 16 (44) Spirituous liquor special event permit – \$200.00.
- 17 (44a) Premixed cocktail special event permit – \$200.00.

18 "
 19 **SECTION 22.(gg)** G.S. 18B-903, as amended by Section 17.(d) of this act, reads as
 20 rewritten:

21 **"§ 18B-903. Duration of permit; renewal and transfer.**

22 ...
 23 (c) Change in Ownership. –
 24 ...
 25 (2) Notwithstanding subsection (e) of this section, any person who through
 26 contract, lease, management agreement, or change of ownership or transfer of
 27 business as provided in subdivision (1) of this subsection becomes lawfully
 28 entitled to use and control of the premises of an establishment that holds
 29 permits immediately prior to such change of ownership may continue to
 30 operate the establishment, as successor to the prior permittee, to the same
 31 extent as the predecessor permittee until the person receives a temporary or
 32 new permit, including purchasing malt beverages, unfortified wine, premixed
 33 cocktails, or fortified wine to be resold for on-premises or off-premises
 34 consumption, or spirituous liquor for use in mixed beverages sold by the
 35 establishment, as applicable under the permit, subject to the following
 36 limitations:

37 ...
 38 ...
 39 "

40 **SECTION 22.(hh)** G.S. 18B-1001, as amended by Sections 2, 4, 12.(b), 17.(f),
 41 23.(a), and 24 of this act, reads as rewritten:

42 **"§ 18B-1001. Kinds of ABC permits; places eligible.**

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

- 45 (1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit
 46 authorizes (i) the retail sale of malt beverages for consumption on the
 47 premises, either alone or mixed with other beverages, (ii) the retail sale of malt
 48 beverages in the manufacturer's original container for consumption off the
 49 premises, ~~and~~ (iii) the retail sale of malt beverages in a cleaned and sanitized
 50 container that is filled or refilled and sealed for consumption off the premises
 51 and that identifies the permittee and the date the container was filled or

1 ~~refilled~~-refilled, and (iv) the retail sale of premixed cocktails in the
2 manufacturer's original container for consumption on or off the premises. The
3 permit also authorizes the permittee to transfer malt ~~beverages~~,beverages and
4 premixed cocktails, not more than four times per calendar year, to another
5 on-premises malt beverage permittee that is under common ownership or
6 control as the transferor. Except as authorized by this subdivision, transfers of
7 malt beverages or premixed cocktails by on-premises malt beverage
8 permittees, purchases of malt beverages or premixed cocktails by a retail
9 permittee from another retail permittee for the purpose of resale, and sales of
10 malt beverages or premixed cocktails by a retail permittee to another retail
11 permittee for the purpose of resale are unlawful. In addition, a particular brand
12 of malt beverages or premixed cocktails may be transferred only if both the
13 transferor and transferee are located within the territory designated between
14 the brewery or distiller and the wholesaler on file with the Commission. Prior
15 to or contemporaneous with any such transfer, the transferor shall notify each
16 wholesaler who distributes the transferred product of the transfer. The notice
17 shall be in writing or verifiable electronic format and shall identify the
18 transferor and transferee, the date of the transfer, quantity, and items
19 transferred. It also authorizes the holder of the permit to ship malt beverages
20 or premixed cocktails in closed containers to individual purchasers inside and
21 outside the State. The permit may be issued for any of the following:

- 22 a. Restaurants.
- 23 b. Hotels.
- 24 c. Eating establishments.
- 25 d. Food businesses.
- 26 e. Retail businesses.
- 27 f. Private clubs.
- 28 g. Convention centers.
- 29 h. Community theatres.
- 30 i. Breweries as authorized by subdivisions (7) and (8) of
31 G.S. 18B-1104(a).
- 32 j. Sports and entertainment venues.
- 33 k. Bars.
- 34 l. The holder of a distillery permit authorized under G.S. 18B-1105.
- 35 m. Wineries as authorized by G.S. 18B-1101(5a) and G.S. 18B-1102(5a).

- 36 (2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage permit
37 authorizes (i) the retail sale of malt beverages or premixed cocktails in the
38 manufacturer's original container for consumption off the premises, (ii) the
39 retail sale of malt beverages in a cleaned and sanitized container that is filled
40 or refilled and sealed for consumption off the premises and that identifies the
41 permittee and the date the container was filled or refilled, and (iii) the holder
42 of the permit to ship malt beverages or premixed cocktails in closed containers
43 to individual purchasers inside and outside the State. The permit also
44 authorizes the permittee to transfer malt ~~beverages~~,beverages and premixed
45 cocktails, not more than four times per calendar year, to another off-premises
46 malt beverage permittee that is under common ownership or control as the
47 transferor. Except as authorized by this subdivision, transfers of malt
48 beverages or premixed cocktails by off-premises malt beverage permittees,
49 purchases of malt beverages or premixed cocktails by a retail permittee from
50 another retail permittee for the purpose of resale, and sales of malt beverages
51 or premixed cocktails by a retail permittee to another retail permittee for the

1 purpose of resale are unlawful. In addition, a particular brand of malt
2 beverages or premixed cocktails may be transferred only if both the transferor
3 and transferee are located within the territory designated between the brewery
4 or distiller and the wholesaler on file with the Commission. Prior to or
5 contemporaneous with any such transfer, the transferor shall notify each
6 wholesaler who distributes the transferred product of the transfer. The notice
7 shall be in writing or verifiable electronic format and shall identify the
8 transferor and transferee, the date of the transfer, quantity, and items
9 transferred. The permit may be issued for any of the following:

- 10 a. Restaurants.
- 11 b. Hotels.
- 12 c. Eating establishments.
- 13 d. Food businesses.
- 14 e. Retail businesses.
- 15 f. The holder of a brewing, distillation, and fermentation course
16 authorization under G.S. 18B-1114.6. A school obtaining a permit
17 under this subdivision is authorized to sell malt beverages
18 manufactured during its brewing, distillation, and fermentation
19 program at one noncampus location in a county where the permittee
20 holds and offers classes on a regular full-time basis in a facility owned
21 by the permittee.

- 22 (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine
23 permit authorizes (i) the retail sale of unfortified wine for consumption on the
24 premises, either alone or mixed with other beverages, (ii) the retail sale of
25 unfortified wine in the manufacturer's original container for consumption off
26 the premises, (iii) the retail sale of unfortified wine dispensed from a tap
27 connected to a pressurized container utilizing carbon dioxide or similar gas
28 into a cleaned and sanitized container that is filled or refilled and sealed for
29 consumption off the premises and that identifies the permittee and the date the
30 container was filled or refilled, ~~and~~ (iv) wine tastings conducted at a
31 consumer's private residence or a location not holding a permit under this
32 section where consumers are educated about selection, serving, and storing of
33 wine by the permittee or the permittee's employee or agent utilizing wine from
34 the permit holder's inventory and consumers may purchase wine for future
35 delivery or pick up at the permittee's permitted ~~premises~~, premises, and (v) the
36 retail sale of premixed cocktails in the manufacturer's original container for
37 consumption on or off the premises. The permit also authorizes the permittee
38 to transfer unfortified ~~wine, wine or premixed cocktails~~, not more than four
39 times per calendar year, to another on-premises unfortified wine permittee that
40 is under common ownership or control as the transferor. Except as authorized
41 by this subdivision, transfers of wine or premixed cocktails by on-premises
42 unfortified wine permittees, purchases of wine or premixed cocktails by a
43 retail permittee from another retail permittee for the purpose of resale, and
44 sale of wine or premixed cocktails by a retail permittee to another retail
45 permittee for the purpose of resale are unlawful. In addition, a particular brand
46 of wine or premixed cocktails may be transferred only if both the transferor
47 and transferee are located within the territory designated between the winery
48 or distiller and the wholesaler on file with the Commission. Prior to or
49 contemporaneous with any such transfer, the transferor shall notify each
50 wholesaler who distributes the transferred product of the transfer. The notice
51 shall be in writing or verifiable electronic format and shall identify the

1 transferor and transferee, the date of the transfer, quantity, and items
2 transferred. The holder of the permit is authorized to ship unfortified wine or
3 premixed cocktails in closed containers to individual purchasers inside and
4 outside the State. Orders received by a winery by telephone, internet, mail,
5 facsimile, or other off-premises means of communication shall be shipped
6 pursuant to a wine shipper permit and not pursuant to this subdivision. The
7 permit may be issued for any of the following:

- 8 a. Restaurants.
- 9 b. Hotels.
- 10 c. Eating establishments.
- 11 d. Private clubs.
- 12 e. Convention centers.
- 13 f. Cooking schools.
- 14 g. Community theatres.
- 15 h. Wineries.
- 16 i. Wine producers.
- 17 j. Retail businesses.
- 18 k. Sports and entertainment venues.
- 19 l. Bars.
- 20 m. The holder of a distillery permit authorized under G.S. 18B-1105.
- 21 n. Breweries.

22 Additionally, an on-premises unfortified wine permit authorizes a permittee
23 that is a restaurant, eating establishment, hotel, private club, bar, brewery,
24 winery, or wine producer to sell at retail single-serving unfortified wine drinks
25 for consumption off the premises, including delivery by the permittee or a
26 delivery service permittee. Single-serving unfortified wine drinks sold for
27 consumption off the premises must be sold with food and shall be packaged
28 in a container with a secure lid or cap and in a manner designed to prevent
29 consumption without removal of the lid or cap. The container shall be no
30 greater than 24 fluid ounces. In accordance with G.S. 20-138.7, the
31 transportation of single-serving unfortified wine drinks in a motor vehicle
32 shall not be unlawful if the container is an unopened manufacturer's original
33 container or is transported in a locked container, in the trunk, or in the area
34 behind the last upright seat in a motor vehicle not equipped with a trunk.
35 Notwithstanding G.S. 18B-1010, the sale of more than two single-serving
36 unfortified wine drinks at one time shall not be unlawful if the single-serving
37 unfortified wine drinks are sold for delivery or consumption off the permittee's
38 premises. No single-serving unfortified wine ~~by the~~ drink ordered for
39 off-premises consumption shall be provided to any person other than the
40 purchaser of the single-serving unfortified wine drink, except that in the case
41 of delivery, the delivery service permittee through its employees or agents
42 may provide the single-serving unfortified wine drink to a person other than
43 the purchaser if the permittee or the permittee's employees or agents verify
44 that the person is over 21 years of age using age verification software requiring
45 the recipient to provide a form of photographic identification authorized in
46 G.S. 18B-302(d)(1).

- 47 (4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine
48 permit authorizes (i) the retail sale of unfortified wine or premixed cocktails
49 in the manufacturer's original container for consumption off the premises, (ii)
50 the retail sale of unfortified wine dispensed from a tap connected to a
51 pressurized container utilizing carbon dioxide or similar gas into a cleaned

1 and sanitized container that is filled or refilled and sealed for consumption off
2 the premises and that identifies the permittee and the date the container was
3 filled or refilled, and (iii) the holder of the permit to ship unfortified wine or
4 premixed cocktails in closed containers to individual purchasers inside and
5 outside the State. The permit may be issued for retail businesses. The permit
6 also authorizes the permittee to transfer unfortified ~~wine,~~wine or premixed
7 cocktails, not more than four times per calendar year, to another off-premises
8 unfortified wine permittee that is under common ownership or control as the
9 transferor. Except as authorized by this subdivision, transfers of wine or
10 premixed cocktails by off-premises unfortified wine permittees, purchases of
11 wine or premixed cocktails by a retail permittee from another retail permittee
12 for the purpose of resale, and sale of wine or premixed cocktails by a retail
13 permittee to another retail permittee for the purpose of resale are unlawful. In
14 addition, a particular brand of wine or premixed cocktails may be transferred
15 only if both the transferor and transferee are located within the territory
16 designated between the winery or distiller and the wholesaler on file with the
17 Commission. Prior to or contemporaneous with any such transfer, the
18 transferor shall notify each wholesaler who distributes the transferred product
19 of the transfer. The notice shall be in writing or verifiable electronic format
20 and shall identify the transferor and transferee, the date of the transfer,
21 quantity, and items transferred. The permit may also be issued to the holder
22 of a viticulture/enology course authorization under G.S. 18B-1114.4. A
23 school obtaining a permit under this subdivision is authorized to sell wines
24 manufactured during its viticulture/enology program at one non-campus
25 location in a county where the permittee holds and offers classes on a regular
26 full-time basis in a facility owned by the permittee. The permit may also be
27 issued for a winery or a wine producer for sale of its own unfortified wine
28 during hours when the winery or wine producer's premises is open to the
29 public, subject to any local ordinance adopted pursuant to G.S. 18B-1004(d)
30 concerning hours for the retail sale of unfortified wine. A winery obtaining a
31 permit under this subdivision is authorized to sell wine manufactured by the
32 winery at one additional location in the county under the same conditions
33 specified in G.S. 18B-1101(5) for the sale of wine at the winery; provided,
34 however, that no other alcohol sales shall be authorized at the additional
35 location. Orders received by a winery by telephone, internet, mail, facsimile,
36 or other off-premises means of communication shall be shipped pursuant to a
37 wine shipper permit and not pursuant to this subdivision.

- 38 (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit
39 authorizes (i) the retail sale of fortified wine for consumption on the premises,
40 either alone or mixed with other beverages, ~~and~~ (ii) the retail sale of fortified
41 wine in the manufacturer's original container for consumption off the
42 ~~premises.~~premises, and (iii) the retail sale of premixed cocktails in the
43 manufacturer's original container for consumption on or off the premises. The
44 permit also authorizes the permittee to transfer fortified ~~wine,~~wine or
45 premixed cocktails, not more than four times per calendar year, to another
46 on-premises fortified wine permittee that is under common ownership or
47 control as the transferor. Except as authorized by this subdivision, transfers of
48 wine or premixed cocktails by on-premises fortified wine permittees,
49 purchases of wine or premixed cocktails by a retail permittee from another
50 retail permittee for the purpose of resale, and sale of wine or premixed
51 cocktails by a retail permittee to another retail permittee for the purpose of

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

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

25 Additionally, an on-premises fortified wine permit authorizes a permittee that
26 is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail
27 single-serving fortified wine drinks for consumption off the premises,
28 including delivery by the permittee or a delivery service permittee.
29 Single-serving fortified wine drinks sold for consumption off the premises
30 must be sold with food and shall be packaged in a container with a secure lid
31 or cap and in a manner designed to prevent consumption without removal of
32 the lid or cap. The container shall be no greater than 24 fluid ounces. In
33 accordance with G.S. 20-138.7, the transportation of single-serving fortified
34 wine drinks in a motor vehicle shall not be unlawful if the container is an
35 unopened manufacturer's original container or is transported in a locked
36 container, in the trunk, or in the area behind the last upright seat in a motor
37 vehicle not equipped with a trunk. Notwithstanding G.S. 18B-1010, the sale
38 of more than two single-serving fortified wine drinks at one time shall not be
39 unlawful if the single-serving fortified wine drinks are sold for delivery or
40 consumption off the permittee's premises. No single-serving fortified wine by
41 the drink ordered for off-premises consumption shall be provided to any
42 person other than the purchaser of the single-serving fortified wine drink,
43 except that in the case of delivery, the delivery service permittee through its
44 employees or agents may provide the single-serving fortified wine drink to a
45 person other than the purchaser if the permittee or the permittee's employees
46 or agents verify that the person is over 21 years of age using age verification
47 software requiring the recipient to provide a form of photographic
48 identification authorized in G.S. 18B-302(d)(1).

- 49 (6) Off-Premises Fortified Wine Permit. – An off-premises fortified wine permit
50 authorizes the retail sale of fortified wine or premixed cocktails in the
51 manufacturer's original container for consumption off the premises and it

1 authorizes the holder of the permit to ship fortified wine or premixed cocktails
2 in closed containers to individual purchasers inside and outside the State. The
3 permit may be issued for food businesses. The permit may also be issued for
4 a winery for sale of its own fortified wine. Orders received by a winery by
5 telephone, internet, mail, facsimile, or other off-premises means of
6 communication shall be shipped pursuant to a wine shipper permit and not
7 pursuant to this subdivision. The permit also authorizes the permittee to
8 transfer fortified ~~wine,~~wine or premixed cocktails, not more than four times
9 per calendar year, to another off-premises fortified wine permittee that is
10 under common ownership or control as the transferor. Except as authorized
11 by this subdivision, transfers of wine or premixed cocktails by off-premises
12 fortified wine permittees, purchases of wine or premixed cocktails by a retail
13 permittee from another retail permittee for the purpose of resale, and sale of
14 wine or premixed cocktails by a retail permittee to another retail permittee for
15 the purpose of resale are unlawful. In addition, a particular brand of wine or
16 premixed cocktails may be transferred only if both the transferor and
17 transferee are located within the territory designated between the winery or
18 distiller and the wholesaler on file with the Commission. Prior to or
19 contemporaneous with any such transfer, the transferor shall notify each
20 wholesaler who distributes the transferred product of the transfer. The notice
21 shall be in writing or verifiable electronic format and shall identify the
22 transferor and transferee, the date of the transfer, quantity, and items
23 transferred.

24 (7) Brown-Bagging Permit. – A brown-bagging permit authorizes each individual
25 patron of an establishment, with the permission of the permittee, to bring up
26 to eight liters of premixed cocktails, fortified ~~wine~~wine, or spirituous liquor,
27 or eight liters of the ~~two~~three combined, onto the premises and to consume
28 those alcoholic beverages on the premises. The permit may be issued for any
29 of the following:

- 30 a. Restaurants.
- 31 b. Hotels.
- 32 c. Private clubs.
- 33 d. Community theatres.
- 34 e. Congressionally chartered veterans organizations.
- 35 f. Bars.

36 (8) Special Occasion Permit. – A special occasion permit authorizes the host of a
37 reception, party or other special occasion, with the permission of the
38 permittee, to bring premixed cocktails, fortified ~~wine~~wine, and spirituous
39 liquor onto the premises of the business and to serve ~~the same to his~~those
40 alcoholic beverages to the host's guests. The permit may be issued for any of
41 the following:

- 42 a. Restaurants.
- 43 b. Hotels.
- 44 c. Eating establishments.
- 45 d. Private clubs.
- 46 e. Convention centers.
- 47 f. Bars.
- 48 g. Sports and entertainment venues.

49 (9) Limited Special Occasion Permit. – A limited special occasion permit
50 authorizes the permittee to bring premixed cocktails, fortified ~~wine~~wine, and
51 spirituous liquor onto the premises of a business, with the permission of the

1 owner of that property, and to serve those alcoholic beverages to the
2 permittee's guests at a reception, party, or other special occasion being held
3 there. The permit may be issued to any individual other than the owner or
4 possessor of the premises. An applicant for a limited special occasion permit
5 shall have the written permission of the owner or possessor of the property on
6 which the special occasion is to be held.

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

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

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

51 ...

- 1 (12) Mixed Beverages Catering Permit. – A mixed beverages catering permit may
2 be issued to a hotel, restaurant, or distillery. A mixed beverages catering
3 permit issued to a hotel or restaurant authorizes the hotel or a restaurant to
4 bring spirituous liquor and premixed cocktails onto the premises where the
5 hotel or restaurant is catering food for an event and to serve the liquor and
6 premixed cocktails to guests at the event. A mixed beverages catering permit
7 issued to a distillery allows the distillery to bring spirituous liquor and
8 premixed cocktails onto the premises where a hotel or restaurant is catering
9 food for an event and serve the liquor and premixed cocktails to guests at the
10 event, regardless of whether the hotel or restaurant also holds a mixed
11 beverages catering permit.
- 12 (12a) Mobile Bar Services Permit. – A mobile bar services permit may be issued to
13 a business that provides bartending services for events. The permit authorizes
14 the permittee to (i) bring malt beverages, unfortified wine, premixed cocktails,
15 fortified wine, and spirituous liquor onto the premises of a business that is not
16 an ABC permittee and to serve the alcoholic beverages to guests at the event,
17 and (ii) serve alcoholic beverages to guests at an event occurring on premises
18 owned or possessed by the holder of the permit. The permittee may purchase
19 ~~malt beverages and unfortified wine~~ malt beverages, unfortified wine, and
20 premixed cocktails only from a retailer. The permittee may purchase fortified
21 wine and spirituous liquor only from an ABC store. The permittee may
22 purchase fortified wine and spirituous liquor only from an ABC store. If the
23 permittee serves spirituous liquor, it shall only be spirituous liquor purchased
24 from an ABC store that is designated as a mixed beverage ABC store. The
25 permittee may store and serve alcoholic beverages pursuant to a mobile bar
26 services permit on the premises of any location owned or possessed by the
27 permittee. The permittee shall notify the Commission, in writing, of the
28 location of any event where the permittee will serve alcoholic beverages not
29 less than one week before the event and, if the event takes place on premises
30 not owned or possessed by the permittee, shall have the permission of the
31 owner or possessor of the property on which the event is to be held. Any
32 person serving alcoholic beverages at the event shall be at least 21 years of
33 age. If the event takes place on premises not owned or possessed by the
34 permittee, alcoholic beverages may be transported by the mobile bar services
35 permit holder to the premises of the event no earlier than 8:00 A.M., and, at
36 the conclusion of the event, all alcoholic beverages must be removed from the
37 premises no later than 12:00 noon of the following day. A limited special
38 occasion permit shall not be required for an event at which alcoholic
39 beverages are exclusively provided by the holder of a mobile bar services
40 permit. The holder of a mobile bar services permit may bring alcoholic
41 beverages onto the premises and serve the alcoholic beverages at an event
42 regardless of whether there is a charge or fee for guests to attend the event.
43 This permit does not allow the retail sale of individual alcoholic beverages to
44 guests at an event. A permittee shall not sell tickets or charge individuals for
45 entry to an event occurring on premises owned or possessed by the holder of
46 the permit.
- 47 (13) Guest Room Cabinet Permit. – A guest room cabinet permit authorizes a guest
48 room cabinet permittee to sell to its room guests, from securely locked
49 cabinets, malt beverages, unfortified wine, premixed cocktails, fortified wine,
50 and spirituous liquor. A permittee shall designate and maintain at least ten
51 percent (10%) of the permittee's guest rooms as rooms that do not have a guest

1 room cabinet. A permittee may dispense alcoholic beverages from a guest
2 room cabinet only in accordance with written policies and procedures filed
3 with and approved by the Commission. A permittee shall provide a reasonable
4 number of vending machines, coolers, or similar machines on premises for the
5 sale of soft drinks to hotel guests.

6 A guest room cabinet permit may be issued to any of the following:

- 7 a. A hotel (i) holding a mixed beverages permit and (ii) located in a
8 county subject to G.S. 18B-600(f).
- 9 b. A hotel (i) holding a mixed beverages permit and (ii) located in a
10 county that has a population in excess of 150,000 by the last federal
11 census.
- 12 c. A private club (i) holding a mixed beverages permit, (ii) having
13 management contracts for the rental of living units, and (iii) located in
14 a county defined in G.S. 18B-101(13a)b.2.
- 15 d. An 18-hole golf course (i) holding a mixed beverages permit or located
16 in a county where ABC stores have heretofore been established but in
17 which the sale of mixed beverages has not been approved, (ii) having
18 management contracts for the rental of living units, and (iii) located in
19 a county that has a population in excess of 20,000 people by the last
20 federal census.

21 ...

- 22 (16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt
23 beverages, unfortified wine, premixed cocktails, and fortified wine in the
24 manufacturer's original container for consumption off the premises, (ii) the
25 retail sale of malt beverages or unfortified wine dispensed from a tap
26 connected to a pressurized container utilizing carbon dioxide or similar gas in
27 a cleaned and sanitized container that is filled or refilled and sealed for
28 consumption off the premises and that identifies the permittee and the date the
29 container was filled or refilled, (iii) wine tastings on the premises conducted
30 and supervised by the permittee in accordance with subdivision (15) of this
31 section, and (iv) wine tastings conducted at a consumer's private residence or
32 a location not holding a permit under this section where consumers are
33 educated about selection, serving, and storing of wine by the permittee or the
34 permittee's employee or agent utilizing wine from the permit holder's
35 inventory and consumers may purchase wine for future delivery or pick-up at
36 the permittee's permitted premises. It also authorizes the holder of the permit
37 to ship malt beverages, unfortified wine, premixed cocktails, and fortified
38 wine in closed containers to individual purchasers inside and outside the State.
39 The permit may be issued for retail businesses whose primary purpose is
40 ~~selling malt beverages and wine~~ selling malt beverages, wine, and premixed cocktails
41 for consumption off the premises and regularly and customarily educating
42 consumers through tastings, classes, and seminars about the selection, serving,
43 and storing of wine. The holder of the permit is authorized to sell unfortified
44 wine for consumption on the premises, provided that, except as otherwise
45 provided in this subdivision, the sale of wine for consumption on the premises
46 does not exceed forty percent (40%) of the establishment's total sales for any
47 30-day period. The holder of a wine-tasting permit not engaged in the
48 preparation or sale of food on the premises is not subject to Part 6 of Article 8
49 of Chapter 130A of the General Statutes. A holder of a wine shop permit shall
50 also be eligible to hold a malt beverage shop permit under G.S. 18B
51 1001(16a). If the holder of a wine shop permit also holds a malt beverage shop

1 permit, then the sales of alcoholic beverages for consumption on the premises
2 may not exceed forty percent (40%) of the establishment's total sales for any
3 30-day period.

4 (16a) Malt Beverage Shop Permit. – A malt beverage shop permit authorizes (i) the
5 retail sale of malt beverages, unfortified wine, premixed cocktails, and
6 fortified wine in the manufacturer's original container for consumption off the
7 premises, (ii) the retail sale of malt beverages dispensed from a tap connected
8 to a pressurized container utilizing carbon dioxide or similar gas in a cleaned
9 and sanitized container that is filled or refilled and sealed for consumption off
10 the premises and that identifies the permittee and the date the container was
11 filled or refilled, and (iii) malt beverage tastings on the premises conducted
12 and supervised by the permittee in accordance with subdivision (18) of this
13 section. It also authorizes the holder of the permit to ship malt beverages,
14 unfortified wine, premixed cocktails, and fortified wine in closed containers
15 to individual purchasers inside and outside the State. The permit may be issued
16 for retail businesses whose primary purpose is selling malt beverages for
17 consumption off the premises and regularly and customarily educating
18 consumers through tastings, classes, and seminars about the selection, serving,
19 and storing of malt beverages. The holder of the permit is authorized to sell
20 malt beverages for consumption on the premises, provided that, except as
21 otherwise provided in this subdivision, the sale of malt beverages, combined,
22 for consumption on the premises does not exceed forty percent (40%) of the
23 establishment's total sales for any 30-day period. The holder of a malt
24 beverage tasting permit not engaged in the preparation or sale of food on the
25 premises is not subject to Part 6 of Article 8 of Chapter 130A of the General
26 Statutes. A holder of a malt beverage shop permit shall also be eligible to hold
27 a wine shop permit under G.S. 18B 1001(16). If the holder of a malt beverage
28 shop permit also holds a wine shop permit, then the sales of alcoholic
29 beverages for consumption on the premises may not exceed forty percent
30 (40%) of the establishment's total sales for any 30 day period.

31 ...

32 (19) Spirituous liquor tasting permit. – The holder of any distillery permit
33 authorized by G.S. 18B-1105 may conduct a consumer tasting event on the
34 premises of the distillery subject to the following conditions:
35 a. Any person pouring spirituous liquor at a tasting shall be an employee
36 of the distillery and at least 21 years of age.
37 b. The person pouring the spirituous liquor shall be responsible for
38 checking the identification of patrons being served at the tasting.
39 c. Each consumer is limited to tasting samples of 0.25 ounce of each
40 spirituous liquor which total no more than 1.5 ounces of spirituous
41 liquor in any calendar day.
42 d. The consumer shall not be charged for any spirituous liquor tasting
43 sample.
44 e. The spirituous liquor used in the consumer tasting event shall be
45 distilled or produced at the distillery where the event is being held by
46 the permit holder conducting the event.
47 f. A consumer tasting event shall not be allowed when the sale of
48 spirituous liquor ~~the alcoholic beverage offered for tasting~~ is otherwise
49 prohibited.
50 g. Tasting samples are not to be offered to, or allowed to be consumed
51 by, any person under the legal age for consuming spirituous liquor.

1 h. Consumer tasting events authorized under this subdivision may be
2 conducted on any part of the licensed premises of the distillery, except
3 as prohibited by federal law.

4 The distillery permit holder shall be solely liable for any violations of this
5 Chapter occurring in connection with the tasting. The Commission shall adopt
6 rules to assure that the tastings are limited to samplings and not a subterfuge
7 for the unlawful sale or distribution of spirituous liquor and that the tastings
8 are not used by industry members for unlawful inducements to retail permit
9 holders. For purposes of this subdivision, the term "spirituous liquor" includes
10 premixed cocktails.

11 ...

12 (22) Airport Central Storage Permit. – A permit under this subdivision may be
13 issued to the owner of a bonded storage warehouse that meets the federal
14 Transportation Security Administration (TSA) security standards (49 C.F.R.
15 §§ 1542.1 through 1542.307). This permit authorizes the permittee to contract
16 with retail permittees holding permits issued pursuant to G.S. 18B-1001(1),
17 (3), (5), and (10) with one or more retail locations at airports which service
18 airplanes boarding at least 150,000 passengers annually to do the following:
19 (i) store at a central receiving facility located on or within 5 miles of the airport
20 property and outside the retail permittee's licensed premises alcoholic
21 beverages to be sold or served at the retail permittee's airport locations as
22 approved by the Commission and (ii) transport alcoholic beverages from the
23 central receiving facility to the retail permittee's premises or support locations
24 within the airport terminal pursuant to subsections (d) and (e) of
25 G.S. 18B-1115. Alcoholic beverages stored pursuant to this subdivision shall
26 be the property of the retail permittee. The portion of the airport central storage
27 permitted premises where the retail permittee's alcoholic beverages are stored
28 shall be deemed an extension of the retail permittee's permitted premises for
29 storage only and subject to inspection pursuant to G.S. 18B-503.

30 (23) Common Carrier Vehicle Permit. – Notwithstanding the results of any local
31 election, a permit under this subdivision may be issued to a business primarily
32 engaged in this State in the intrastate operation of common carriers of
33 passengers and operating under a certificate of authority issued by the North
34 Carolina Utilities Commission. A common carrier vehicle permit authorizes
35 the sale or service of malt beverages, unfortified wine, premixed cocktails,
36 fortified wine, and mixed beverages in the passenger area of a common carrier
37 of passengers for consumption by passengers in the passenger area during
38 journeys of 75 miles or longer that do not terminate within 10 miles of the
39 origin of the journey. The permit issued to the business shall cover all common
40 carriers of passengers owned by the business. The permit or a copy of the
41 permit shall be prominently displayed on each common carrier of passengers
42 on which alcoholic beverages are served or sold. Notwithstanding
43 G.S. 18B-101(12a), the passenger area of a permittee's common carrier of
44 passengers constitutes the premises for the permit. This permit shall not allow
45 consumption of alcohol on a common carrier of passengers by any employee
46 of the permittee. A permittee may not sell or serve alcoholic beverages to a
47 passenger between the hours of 2:00 A.M. and 7:00 A.M., and a passenger
48 may not be allowed to consume alcoholic beverages between the hours of 2:30
49 A.M. and 7:00 A.M. Notwithstanding G.S. 18B-1004(c) or any local
50 ordinance, alcoholic beverages may not be sold or consumed before 10:00

A.M. on Sundays. For purposes of this subdivision, a common carrier of passengers has the same meaning as in G.S. 20-4.01(27)d.

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

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

(26) Service Business Permit. – A service business permit authorizes the permittee to furnish complimentary ~~malt beverages and unfortified wine~~ malt beverages, unfortified wine, and premixed cocktails to customers, in conjunction with the provision of the service, for consumption on the permittee's premises at no extra charge to the customers. The permittee may furnish alcoholic beverages to customers only in accordance with G.S. 18B-603(i). The permittee may not serve more than two servings of alcoholic beverages to any individual customer in any calendar day. For purposes of this subdivision, a serving of malt beverage or premixed cocktail is 16 fluid ounces, and a serving of unfortified wine is 8 fluid ounces. Notwithstanding G.S. 18B-1006(h), the permittee may purchase ~~malt beverages and unfortified wine~~ malt beverages, unfortified wine, and premixed cocktails only from a retailer. The permit may be issued to service businesses."

SECTION 22.(ii) G.S. 18B-1001.4 reads as rewritten:

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

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

...

(e) Scope and Construction. – A delivery service permit is not required for a common carrier lawfully transporting or shipping alcoholic beverages. Nothing in this section shall be construed as exempting the delivery of alcoholic beverages pursuant to a delivery service permit from the requirements set forth in Article 4 of Chapter 18B of the General Statutes. Nothing in this section shall be construed to require a technology services company to obtain a delivery

1 service permit if the company does not employ or contract with delivery drivers, but rather
2 provides software or an application that connects consumers and licensed retailers for the
3 delivery of alcoholic beverages from the licensed retailer. Nothing in this section shall be
4 construed to require a retailer that holds a permit issued pursuant to subdivisions (1) through (6),
5 (10), and (16) of G.S. 18B-1001 to obtain a delivery service permit in order for employees of the
6 retail permittee to deliver malt beverages, unfortified wine, premixed cocktails, or fortified wine
7 to a location designated by the ~~purchaser~~, purchaser; however, the other provisions of this section
8 apply to the retailer.

9"

10 **SECTION 22.(jj)** G.S. 18B-1002, as amended by Section 10 of this act, reads as
11 rewritten:

12 **"§ 18B-1002. Special one-time permits.**

13 (a) Kinds of Permits. – In addition to the other permits authorized by this Chapter, the
14 Commission may issue permits for the following activities:

15 ...

16 (2) A permit may be issued to a nonprofit organization to allow the retail sale of
17 malt beverages, unfortified wine, premixed cocktails, fortified wine, or mixed
18 beverages, or to allow brown-bagging, at a single fund-raising event of that
19 organization. A permit for this purpose shall not be issued for the sale of any
20 kind of alcoholic beverage in a jurisdiction where the sale of that alcoholic
21 beverage is not lawful. A permit is not required under this subdivision for a
22 ticketed event conducted by a nonprofit organization on premises permitted
23 under G.S. 18B-1001(1), 18B-1001(2), 18B-1001(3), 18B-1001(4),
24 18B-1001(5), 18B-1001(6), or 18B-1001(10) if the wine, malt beverages,
25 premixed cocktails, and spirituous liquor sold at the event are sold by the retail
26 permittee from the retail permittee's inventory.

27 ...

28 (5) A permit may be issued to a unit of local government, or to a nonprofit
29 organization or a political organization to serve wine, malt beverages,
30 premixed cocktails, and spirituous liquor at a ticketed event held to allow the
31 unit of local government or organization to raise funds. A permit is not
32 required under this subdivision for a ticketed event conducted by a nonprofit
33 organization on the premises holding a permit under G.S. 18B-1001(1),
34 18B-1001(2), 18B-1001(3), 18B-1001(4), 18B-1001(5), 18B-1001(6), or
35 18B-1001(10) if the wine, malt beverages, premixed cocktails, and spirituous
36 liquor served at the event are served by the retail permittee from the retail
37 permittee's inventory. For purposes of this subdivision "nonprofit
38 organization" means an organization that is exempt from taxation under
39 Section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(8), 501(c)(10), 501(c)(19), or
40 501(d) of the Internal Revenue Code or is exempt under similar provisions of
41 the General Statutes as a bona fide nonprofit charitable, civic, religious,
42 fraternal, patriotic, or veterans' organization or as a nonprofit volunteer fire
43 department, or as a nonprofit volunteer rescue squad or a bona fide
44 homeowners' or property owners' association. For purposes of this subdivision
45 "political organization" means an organization covered by the provisions of
46 G.S. 163-96(a)(1) or (2) or a campaign organization established by or for a
47 person who is a candidate who has filed a notice of candidacy, paid the filing
48 fees or filed the required petition, and been certified as a candidate. The
49 issuance of this permit shall also allow the use for culinary purposes of
50 spirituous liquor lawfully purchased for use in mixed beverages. The issuance
51 of this permit shall also allow a nonprofit organization to offer alcoholic

1 beverages in the manufacturer's original closed container as a prize in a raffle
2 or sell alcoholic beverages in the manufacturer's original closed container at
3 auction at the ticketed event to allow the nonprofit organization to raise funds.

- 4 (6) A permit may be issued to a professional sports organization to allow the retail
5 sale of malt beverages, unfortified wine, premixed cocktails, fortified wine, or
6 mixed beverages for consumption on the premises at a professional sporting
7 event held at a stadium (i) with a seating capacity of at least 40,000 people
8 and (ii) that is owned or leased by a constituent institution of The University
9 of North Carolina located in a county with a population of at least 900,000
10 people according to the most recent federal decennial census. For purposes of
11 this subdivision, the term "professional sports organization" means an
12 organization that is a member of an association or league of professional
13 sports organizations that (i) has 6 or more members, (ii) has total combined
14 revenues from all members that exceeds ten million dollars (\$10,000,000) per
15 year, and (iii) governs the conduct of its members and regulates the contests
16 and exhibitions in which its member organizations regularly engage.

17 ...

18 (d) Administrative Procedure. – Denial or revocation of a permit under this section shall
19 not entitle the applicant or permittee to a hearing under ~~Chapter 150B~~. Chapter 150B of the
20 General Statutes."

21 **SECTION 22.(kk)** G.S. 18B-1004 reads as rewritten:

22 "**§ 18B-1004. Hours for sale and consumption.**

23 (a) Hours. – Except as otherwise provided in this section, it shall be unlawful to sell malt
24 beverages, unfortified wine, premixed cocktails, fortified wine, or mixed beverages between the
25 hours of 2:00 A.M. and 7:00 A.M., or to consume any of those alcoholic beverages between the
26 hours of 2:30 A.M. and 7:00 A.M., in any place that has been issued a permit under
27 G.S. 18B-1001 or G.S. 18B-1105.

28 ...

29 (d) Local Option. – A city may adopt an ordinance prohibiting in the city the retail sale
30 of malt beverages, unfortified wine, premixed cocktails, and fortified wine during any or all of
31 the hours from 12:00 Noon on Sunday until 7:00 A.M. on the following Monday. A county may
32 adopt an ordinance prohibiting, in the parts of the county outside any city, the retail sale of malt
33 beverages, unfortified wine, premixed cocktails, and fortified wine during any or all of the hours
34 from 12:00 Noon on Sunday until 7:00 A.M. on the following Monday. Neither a city nor a
35 county, however, may prohibit those sales in establishments having brown-bagging or mixed
36 beverages permits.

37 (e) This section does not prohibit at any time the wholesale delivery and sale of
38 unfortified wine, premixed cocktails, fortified wine, and malt beverages to retailers issued
39 permits pursuant to G.S. 18B-1001 or G.S. 18B-1002(a)(2) or (5)."

40 **SECTION 22.(ll)** G.S. 18B-1006 reads as rewritten:

41 "**§ 18B-1006. Miscellaneous provisions on permits.**

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

45 ...

- 46 (7) The sale of malt beverages, unfortified wine, premixed cocktails, or fortified
47 wine at the following:

48 a. Performing arts centers located on property owned or leased by the
49 public college or university.

1 b. Any stadiums that support a NASCAR-sanctioned one-fourth mile
2 asphalt flat oval short track, that are owned or leased by the public
3 college or university.

4 ...

5 (b) Lockers at Clubs. – A private club or congressionally-chartered veterans organization
6 which has been issued a brown-bagging permit may, but is not required to, provide lockers for
7 its members to store their alcoholic beverages. If lockers are provided, however, they shall not
8 be shared but shall be for individual members. Each locker and each bottle of alcoholic beverages
9 on the premises shall be labelled with the name of the member to whom it belongs. No more than
10 eight liters each of ~~malt beverages or unfortified wine~~ malt beverages, unfortified wine, or
11 premixed cocktails may be stored by a member at one time. No more than eight liters of either
12 fortified wine or spirituous liquor, or eight liters of the two combined, may be stored by a member
13 at one time.

14 ...

15 (h) Purchase Restrictions. – A retail permittee may purchase malt beverages, unfortified
16 wine, premixed cocktails, or fortified wine only from a wholesaler who maintains a place of
17 business in this State and has the proper permit.

18 (i) Tour Boats. – The Commission may issue permits to boats that conduct regularly
19 scheduled tours upon the rivers or waterways of this State under the following conditions:

20 ...

21 (3) A boat may hold the permits listed in G.S. 18B-1001(1), (3), (5), (7), and (10),
22 but no off-premises sales may be made pursuant to those ~~permits~~ permits.

23 (4) A boat shall have a home port in an area where issuance of any of the permits
24 listed in subdivision (3) of this subsection is legal, and all passengers shall
25 enter the boat at the home port or at other ports listed on a preannounced
26 itinerary. The boat's permits are valid during tours that leave and return to the
27 boat's home port, and apply regardless of whether the boat crosses into an area
28 where sales are not legal, if the boat docks only at a port listed on the
29 preannounced itinerary, except in an ~~emergency~~ and emergency.

30 ...

31 (j) Recreation Districts. – Notwithstanding the provisions of Article 6 of this Chapter,
32 the Commission may issue permits for the sale of malt beverages, unfortified wine, premixed
33 cocktails, fortified wine, and mixed beverages to qualified businesses in a recreation district.

34 A "recreation district" is an area that meets any of the following requirements:

35 ...

36 ...

37 (r) Distillery Estate Districts. –

38 ...

39 (2) Notwithstanding any other provision of law, a mixed beverages permittee
40 located in a distillery estate district and under common ownership and control
41 with the distillery in the distillery estate district may sell spirituous liquor
42 produced at the distillery located in the distillery estate district in mixed
43 beverages and premixed cocktails as if it were being sold at the distillery.
44 Spirituous liquor sold pursuant to this subdivision shall be listed as a code
45 item for sale in the State but shall not be required to be sent to the State
46 warehouse or be stamped with a mixed beverages tax stamp.

47 (3) Notwithstanding any other provision of law, a distillery in a distillery estate
48 district may, without approval from the Commission, conduct consumer
49 tastings of spirituous liquor produced at the distillery subject to the
50 requirements of G.S. 18B-1114.7(b) anywhere in the distillery estate district,

including outdoors and on the premises of another ABC permittee located in the distillery estate district.

(3a) Notwithstanding any other provision of law, a distillery in a distillery estate district may, without approval from the Commission, conduct consumer tastings of premixed cocktails produced at the distillery anywhere in the distillery estate district, including outdoors and on the premises of another ABC permittee located in the distillery estate district.

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

...

...."

SECTION 22.(mm) G.S. 18B-1007, as amended by Section 4 of this act, reads as rewritten:

"§ 18B-1007. Additional requirements for mixed beverages permittees.

(a) Purchases. – A mixed beverages permittee may purchase spirituous liquor for resale as mixed beverages and a guest room cabinet permittee may purchase spirituous liquor for resale from a guest room cabinet only at an ABC store that is designated as a mixed beverage ABC store. A mixed beverages permittee may purchase premixed cocktails for resale from an ABC store that is designated as a mixed beverage ABC store or from a premixed cocktail wholesaler, and a guest room cabinet permittee may purchase premixed cocktails for resale from a guest room cabinet from an ABC store that is designated as a mixed beverage ABC store or from a premixed cocktail wholesaler.

...

(d) When a temporary mixed beverages permit has been issued to a new permittee for the continuation of a business at the same location, the permittee going out of business may sell existing mixed beverages and premixed cocktails inventory to the new permittee, and the Commission may request that the local ABC board restamp the mixed beverages inventory with the mixed beverages tax stamp assigned by the local board to the new mixed beverages permittee. Any existing premixed cocktail inventory does not need to be stamped with the mixed beverages tax stamp.

...."

SECTION 22.(nn) G.S. 18B-1009(a), as amended by Section 27 of this act, reads as rewritten:

1 "(a) Nothing in this Chapter shall be construed to prohibit a retail permittee from selling
 2 for consumption, malt beverages and premixed cocktails in the seating areas of stadiums,
 3 ballparks, theaters, amphitheaters, and other similar public places with a seating capacity of 3,000
 4 or more during concerts or professional sporting events, provided ~~that~~that all of the following
 5 apply:

- 6 (1) The seating areas are designated as part of the retail permittee's licensed
 7 ~~premises;~~premises.
- 8 (2) The retail permittee has notified the Commission, in writing, of its intent to
 9 sell malt ~~beverages~~beverages, premixed cocktails, or both in the seating areas
 10 at concerts or sporting ~~events;~~events.
- 11 (3) Service of food and nonalcoholic beverages is available in the seating
 12 ~~areas;~~areas.
- 13 (4) The retail permittee has certified to the Commission that it has trained its
 14 ~~employees;~~employees to do all of the following:
 - 15 a. ~~To identify~~Identify underage persons and intoxicated ~~persons;~~
 16 ~~and persons.~~
 - 17 b. ~~To refuse~~Refuse to sell ~~malt~~alcoholic beverages to those persons as
 18 required by ~~G.S. 18B-305;~~ and G.S. 18B-305.
- 19 (5) The employees do not verbally shout or hawk the sale of ~~malt~~alcoholic
 20 ~~beverages."~~

21 **SECTION 22.(oo)** G.S. 18B-1100 reads as rewritten:

22 "**§ 18B-1100. Commercial permits.**

23 The Commission may issue the following commercial permits:

- 24 ...
- 25 (23) Airport central storage permit.
- 26 (24) Premixed cocktail wholesaler permit.
- 27 (25) Nonresident premixed cocktail vendor permit.
- 28 (26) Premixed cocktail special event permit."

29 **SECTION 22.(pp)** G.S. 18B-1105 reads as rewritten:

30 "**§ 18B-1105. Authorization of distillery permit.**

- 31 (a) The holder of a distillery permit may do any of the following:
 - 32 (1) Manufacture, purchase, import, possess and transport ingredients and
 33 equipment used in the distillation or production of spirituous ~~liquor.~~liquor and
 34 premixed cocktails. The authorization to possess ingredients set forth in this
 35 subdivision includes the possession of spirituous liquor and premixed
 36 cocktails not distilled or produced at the distillery that ~~is~~are used for the
 37 production, research and development, or sample comparison of spirituous
 38 ~~liquor.~~liquor or premixed cocktails.
 - 39 (2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to (i)
 40 exporters and local boards within the State, and, (ii) subject to the laws of
 41 other jurisdictions, at wholesale or retail to consumers in other states or
 42 nations, or private or public agencies or establishments of other states or
 43 nations, except that the holder of a distillery permit may not sell, deliver, or
 44 ship spirituous liquor at retail to consumers in jurisdictions that require
 45 reciprocity in order to allow such sales, deliveries, or shipments.
 - 46 (2a) Sell, deliver, and ship premixed cocktails in closed containers to wholesalers
 47 licensed under this Chapter as authorized by the ABC laws, except that
 48 premixed cocktails may be sold to exporters and nonresident wholesalers only
 49 when the purchase is not for resale in this State. Additionally, premixed
 50 cocktails may be sold, delivered, and shipped, subject to the laws of other
 51 jurisdictions, at wholesale or retail to consumers in other states or nations, or

1 private or public agencies or establishments of other states or nations, except
2 that the holder of a distillery permit may not sell, deliver, or ship premixed
3 cocktails at retail to consumers in jurisdictions that require reciprocity in order
4 to allow such sales, deliveries, or shipments.

5 (2b) Sell, deliver, and ship premixed cocktails in closed containers at wholesale to
6 local boards within the State.

7 (3) Transport into or out of the distillery the maximum amount of liquor and
8 premixed cocktails allowed under federal law, if the transportation is related
9 to the distilling process.

10 (4) Sell spirituous liquor and premixed cocktails distilled or produced at the
11 distillery in closed containers to visitors who tour the distillery for
12 consumption off the premises. The length, content, and other parameters of
13 the tour shall be at the discretion of the distillery, and the distillery shall not
14 be required to maintain records related to tours. Sales under this subdivision
15 are allowed only in a county where the establishment of a county or municipal
16 ABC store has been approved pursuant to G.S. 18B-602(g) and may occur
17 between the hours of 9:00 A.M. and 9:00 P.M. on Monday through Saturday
18 of each week, from 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M.
19 to 9:00 P.M. on each of the following holidays that do not fall on a Sunday:
20 New Year's Day, Fourth of July, Labor Day, and Thanksgiving Day.
21 Spirituous liquor other than premixed cocktails sold under this subdivision
22 shall (i) be listed as a code item for sale in the State, (ii) be sold at the price
23 set by the Commission for the code item pursuant to G.S. 18B-804(b), and
24 (iii) have affixed to its bottle any labeling requirements set by law. A bottle of
25 spirituous liquor or a premixed cocktail container sold under this subdivision
26 may have personalized labeling. The personalized labeling shall comply with
27 any other labeling requirements set by law. The personalized labeling shall
28 not cover any portion of the manufacturer's original label. For purposes of this
29 subdivision, the term "personalized labeling" means the inclusion of any of
30 the following on the label:

- 31 a. The name of the purchaser of the bottle or container or the name of
32 any individual, business entity, or club on whose behalf the bottle or
33 container is purchased.
34 b. "Bottled for," "distilled for," "in honor of," or other similar language.
35 c. Dates, locations, occasions, and other similar information.

36 (4a) In an area where the sale of mixed beverages is authorized by law, sell mixed
37 beverages and premixed cocktails for consumption on the premises, or for
38 consumption off the premises in accordance with the requirements for sale for
39 consumption off the premises described in G.S. 18B-1001(10). If a distillery
40 elects to sell mixed beverages or premixed cocktails containing spirituous
41 liquor other than that produced at the distillery, the distillery shall obtain a
42 mixed beverages permit pursuant to G.S. 18B-1001.

43 (4b) If the distillery is located on a property used for bona fide farm purposes, as
44 defined in G.S. 160D-102(3), sell mixed beverages and premixed cocktails
45 containing only spirituous liquor produced at the distillery for consumption
46 on the premises, or for consumption off the premises in accordance with the
47 requirements for sale for consumption off the premises described in
48 G.S. 18B-1001(10), regardless of the results of any local mixed beverage
49 election.

50 (4c) In an area where the sale of mixed beverages has not been approved by a local
51 election, sell mixed beverages and premixed cocktails containing only

1 spirituous liquor produced at the distillery for consumption on the premises,
 2 or for consumption off the premises in accordance with the requirements for
 3 sale for consumption off the premises described in ~~G.S. 18B-1001(10)~~, upon
 4 obtaining a mixed beverages permit under
 5 G.S. 18B-1001. G.S. 18B-1001(10). If a distillery elects to sell mixed
 6 beverages pursuant to this subdivision, the distillery shall obtain a mixed
 7 beverages permit pursuant to G.S. 18B-1001(10).

8 (5) Conduct consumer tastings, sell mixed beverages, and provide spirituous
 9 liquor in closed containers in accordance with G.S. 18B-1114.7.

10 (5a) Conduct consumer tastings and sell premixed cocktails in open or closed
 11 containers in accordance with G.S. 18B-1114.9, except that premixed
 12 cocktails offered for tasting or sale pursuant to this subdivision are not
 13 required to be purchased from a premixed cocktail wholesaler if the premixed
 14 cocktails contain only spirituous liquor produced at the distillery.

15 (6) Sell malt beverages, unfortified wine, premixed cocktails, and fortified wine,
 16 for consumption on the premises upon obtaining the appropriate permit under
 17 G.S. 18B-1001.

18 (a1) A distillery participating in an alternating proprietorship may sell any product it
 19 produces or distills at the permitted location pursuant to subdivision (4), (4a), (4b), (4c), ~~or (5)~~
 20 (5), or (5a) of subsection (a) of this section at any time the sale of ~~spirituous liquor that type of~~
 21 alcoholic beverage is allowed on the premises pursuant to those subdivisions. The distilleries in
 22 an alternating proprietorship may contract for the host distillery to manage sales of spirituous
 23 liquor and premixed cocktails for the other distillery pursuant to subdivision (4), (4a), (4b), (4c),
 24 ~~or (5) (5), or (5a)~~ of subsection (a) of this section, but each distillery shall be responsible for
 25 maintaining appropriate records and remitting the appropriate taxes. Only the host distillery shall
 26 be required to have a mixed beverage permit, if required, if the host distillery sells the other
 27 distillery's spirituous liquor in mixed beverages.

28 ...

29 (d) Control of Location of Sale and Consumption on Premises. – Notwithstanding
 30 G.S. 18B-301(e), except as otherwise prohibited by federal law or the holder of the distillery
 31 permit, an alcoholic beverage authorized to be sold or consumed under this section may be sold,
 32 possessed, or consumed on any part of the licensed premises of the distillery that is open to the
 33 public. This subsection shall not be construed to allow spirituous liquor or premixed cocktails in
 34 closed containers sold for off-premises consumption to be consumed at the distillery."

35 **SECTION 22.(qq)** G.S. 18B-1105.1 reads as rewritten:

36 **"§ 18B-1105.1. Authorization of liquor importer/bottler permit.**

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

38 (1) Receive spirituous liquor and premixed cocktails in closed containers into
 39 foreign trade zones at the State Port facilities in Morehead City and
 40 Wilmington from ships docked at the State Port facilities for the purpose of
 41 bottling, packaging, or labeling.

42 (2) Bottle, package, or label in this State spirituous liquor and premixed cocktails
 43 imported or received into a foreign trade zone pursuant to this section.

44 (3) Receive spirituous liquor in closed containers into the foreign trade zones at
 45 the State Port facilities in Morehead City and Wilmington from ships docked
 46 at the State Port facilities for storage, sale, shipment, and transshipment to the
 47 State or a local ABC board warehouse or, subject to the laws of other
 48 jurisdictions, to private or public agencies or establishments of other states or
 49 nations.

50 (4) Subject to the record-keeping requirements of G.S. 18B-1115, transport into
 51 or out of the foreign trade zones at the State Port facilities in Morehead City

1 and Wilmington, the maximum amount of liquor allowed under federal law,
2 if the transportation is related to the bottling, packaging, labeling, sale, or
3 storage permitted by this section.

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

8 (6) Receive premixed cocktails in closed containers into the State for storage,
9 sale, shipment, and transshipment to the State warehouse, to premixed cocktail
10 wholesalers for purposes of resale, or, subject to the laws of other
11 jurisdictions, to private or public agencies or establishments of other states or
12 nations."

13 **SECTION 22.(rr)** Article 11 of Chapter 18B of the General Statutes is amended by
14 adding a new section to read:

15 **"§ 18B-1109.1. Authorization of premixed cocktail wholesaler permit.**

16 The holder of a premixed cocktail wholesaler permit may do any or all of the following:

- 17 (1) Receive, possess, and transport shipments of premixed cocktails.
18 (2) Sell, deliver, and ship, in closed containers and in quantities of one case or
19 container or more, premixed cocktails of any brand filed pursuant to
20 G.S. 18B-1403(a) to wholesalers or retailers licensed under this Chapter, as
21 authorized by the ABC laws.
22 (3) Furnish and sell premixed cocktails filed pursuant to G.S. 18B-1403(a) to its
23 employees subject to the rules of the Commission and the Department of
24 Revenue.
25 (4) In locations where the sale is legal, furnish premixed cocktails of any brand
26 filed pursuant to G.S. 18B-1403(a) to guests and any other person who does
27 not hold an ABC permit, for promotional purposes, subject to the rules of the
28 Commission."

29 **SECTION 22.(ss)** G.S. 18B-1110(a) reads as rewritten:

30 (a) Authorization. – The holder of a bottler permit ~~may~~may do any or all of the
31 following:

- 32 (1) Receive, possess and transport shipments of malt beverages, ~~unfortified wine~~
33 ~~and fortified wine;~~unfortified wine, premixed cocktails, and fortified wine.
34 (2) Bottle, sell, deliver and ship malt beverages, unfortified wine, premixed
35 cocktails, and fortified wine in closed containers to wholesalers licensed
36 under this Chapter as authorized by the ABC ~~laws;~~laws.
37 (3) Furnish or sell packages which do not conform to the manufacturer's
38 marketing standards, if State taxes have been or will be paid, to its employees
39 for the use of the employees or their families and guests in this State.

40 A sale or gift under subdivision (3) shall not be considered a retail or wholesale sale under
41 the ABC law."

42 **SECTION 22.(tt)** G.S. 18B-1110.1 reads as rewritten:

43 **"§ 18B-1110.1. Authorization of packaging and logistics permit.**

44 (a) Authorization. – The holder of a packaging and logistics permit may:

- 45 (1) Receive, in closed containers, malt beverages, unfortified wine, premixed
46 cocktails, fortified wine, and spirituous liquor from a supplier for the purpose
47 of packaging, repackaging, storage, shipping, and for the purpose of labeling
48 or relabeling the outer packaging, such as a box or carton.
49 (2) Package or repackage malt beverages, unfortified wine, premixed cocktails,
50 fortified wine, and spirituous liquor received from a supplier, and label or
51 relabel the outer packaging.

- 1 (3) Subject to the record-keeping requirements of G.S. 18B-1115, transport into
 2 or out of the State in closed containers the maximum amounts of malt
 3 beverages, unfortified wine, premixed cocktails, fortified wine, and spirituous
 4 liquor allowed under federal law, if the transportation is related to the
 5 packaging, labeling, sale, or storage permitted by this section.
- 6 (4) Deliver and ship malt beverages, unfortified wine, premixed cocktails, and
 7 fortified wine as provided in this section in closed containers to suppliers and
 8 wholesalers licensed under this Chapter.
- 9 (5) Deliver and ship spirituous liquor and premixed cocktails as provided in this
 10 section in closed containers at wholesale to exporters and local boards within
 11 the ~~State~~.State.
- 12 (6) Subject to the laws of other jurisdictions, deliver and ship malt beverages,
 13 unfortified wine, premixed cocktails, fortified wine, and spirituous liquor as
 14 provided in this section to out-of-state suppliers or at wholesale or retail to
 15 private or public agencies or establishments of other states or nations.

16 (b) Limitation. – A packaging and logistics permit does not authorize the permit holder
 17 to engage in the manufacture of alcoholic beverages except for packaging, repackaging, labeling,
 18 and relabeling as provided in subsection (a) of this section. A holder of a packaging and logistics
 19 permit may not sell, deliver, or ship malt beverages, unfortified wine, premixed cocktails,
 20 fortified wine, or spirituous liquor directly to consumers or to retail establishments in this State.
 21 Nothing in this section shall be interpreted to abrogate the provisions of G.S. 18B-1119.

22 (c) Distribution Agreements. – Malt ~~beverage and wine~~beverage, wine, and premixed
 23 cocktail distribution agreements applicable between a wholesaler and an original supplier are
 24 governed by Articles ~~12 and 13~~12, 13, and 14 of this Chapter."

25 **SECTION 22.(uu)** G.S. 18B-1111(a) reads as rewritten:

26 "(a) Authorized Acts. – The holder of a salesman permit may sell and transport malt
 27 beverages for a malt beverage ~~wholesaler or wholesaler~~, sell and transport unfortified and
 28 fortified wine for a wine ~~wholesaler~~.wholesaler, or sell and transport premixed cocktails for a
 29 premixed cocktail wholesaler."

30 **SECTION 22.(vv)** Article 11 of Chapter 18B of the General Statutes is amended by
 31 adding a new section to read:

32 "**§ 18B-1113.2. Authorization of nonresident premixed cocktail vendor permit.**

33 The holder of a nonresident premixed cocktail vendor permit may sell, deliver, and ship
 34 premixed cocktails in this State only to wholesalers, importers, and bottlers licensed under this
 35 Chapter, as authorized by the ABC laws. The premixed cocktails must come to rest at the licensed
 36 premises of a premixed cocktail wholesaler in this State before being resold to a retailer licensed
 37 under this Chapter. A nonresident premixed cocktail vendor permit may be issued to a liquor
 38 importer/bottler or a business outside North Carolina that is licensed or permitted to manufacture
 39 premixed cocktails in the jurisdiction where the business is located and whose products are
 40 lawfully sold in this State."

41 **SECTION 22.(ww)** G.S. 18B-1113.1 reads as rewritten:

42 "**§ 18B-1113.1. Authorization of optional nonresident spirituous liquor vendor permit.**

43 (a) The following businesses may apply for and obtain a nonresident spirituous liquor
 44 vendor permit:

- 45 (1) A business located outside the State that is licensed or permitted to
 46 manufacture spirituous liquor in the jurisdiction where the business is located
 47 and whose products are lawfully sold in this State.
- 48 (2) A brokerage.
- 49 (3) A liquor importer/bottler.

50 (b) The holder of a nonresident spirituous liquor vendor permit may deliver and ship
 51 spirituous liquor or premixed cocktails that ~~has~~have been approved for sale in this State to the

1 permit holder's (i) employees in the State and (ii) brokerage if the brokerage also holds a
2 nonresident spirituous liquor vendor permit for the purposes of conducting special events
3 pursuant to G.S. 18B-1114.7. The permit holder may not ship or deliver more spirituous liquor
4 or premixed cocktails to its employees or brokerage than is necessary for any consumer tasting
5 event scheduled within one calendar month of the shipment or delivery. Nothing in this section
6 shall be interpreted to require a business to possess or obtain a nonresident spirituous liquor
7 vendor permit to do business in the ~~State or State~~, to obtain a spirituous liquor special event permit
8 pursuant to ~~G.S. 18B-1114.7~~, G.S. 18B-1114.7, or to obtain a premixed cocktail special event
9 permit pursuant to G.S. 18B-1114.9.

10 ~~(c) For purposes of this section, "distillery" means the holder of a distillery permit issued~~
11 ~~under G.S. 18B-1105 or a business located outside the State that is licensed or permitted to~~
12 ~~manufacture spirituous liquor in the jurisdiction where the business is located and whose products~~
13 ~~are lawfully sold in this State."~~

14 **SECTION 22.(xx)** G.S. 18B-1114.7 is amended by adding a new subsection to read:

15 "(e) For purposes of this section, "spirituous liquor" includes premixed cocktails."

16 **SECTION 22.(yy)** Article 11 of Chapter 18B of the General Statutes is amended by
17 adding a new section to read:

18 "**§ 18B-1114.9. Authorization of premixed cocktail special event permit.**

19 (a) Authorization. – The holder of a distillery permit, a liquor importer/bottler permit, a
20 nonresident spirituous liquor vendor permit, or a nonresident premixed cocktail vendor permit
21 may obtain a premixed cocktail special event permit allowing the permittee to give free tastings
22 of its premixed cocktails; to sell branded merchandise such as glassware, cups, signs, t-shirts,
23 hats, and other apparel; and to sell its premixed cocktails in open or closed containers at shopping
24 malls and at trade shows, conventions, liquor festivals, street festivals, holiday festivals,
25 agricultural festivals, farmers markets, balloon races, local fund-raisers, and other similar events
26 approved by the Commission. Except as provided in G.S. 18B-1105(a)(5a), all premixed
27 cocktails sampled or sold pursuant to this section must be purchased from a licensed premixed
28 cocktail wholesaler.

29 (b) Limitation. – A premixed cocktail special event permit is valid only in a jurisdiction
30 that has approved the sale of malt beverages, unfortified wine, fortified wine, or mixed beverages.
31 A premixed cocktail special event shall not be used as subterfuge for premixed cocktail suppliers
32 to ship directly to retail permittees unless otherwise authorized by law."

33 **SECTION 22.(zz)** G.S. 18B-1115 reads as rewritten:

34 "**§ 18B-1115. Commercial transportation.**

35 (a) Permit Required. – Unless a person holds a permit which otherwise allows ~~him~~ the
36 person to transport more than 80 liters of malt beverages other than draft malt beverages in kegs,
37 80 liters of premixed cocktails, 50 liters of unfortified wine, or eight liters of fortified wine or
38 spirituous liquor, or is a retailer authorized to transport alcoholic beverages under G.S. 18B-405,
39 each person transporting alcoholic beverages in excess of those quantities shall have the permit
40 described in this section.

41 (b) When Transportation Legal. – No person may obtain a permit under this section to
42 transport spirituous liquor unless the transportation is for delivery to a federal reservation over
43 which North Carolina has ceded jurisdiction to the United States, for delivery to an ABC store,
44 or for transport through this State to another state. This subsection does not apply to premixed
45 cocktails.

46 ...

47 (e) Transportation of Spirituous Liquor. – In addition to the requirements of subsection
48 ~~(d)~~, (d) of this section, motor vehicle carriers engaged in transporting spirituous liquor shall:

49 (1) Deposit with the Commission a surety bond for one thousand dollars (\$1,000)
50 conditioned that the carrier will not unlawfully transport spirituous liquor into
51 or through this State. The bond, which shall be approved by the Commission,

1 shall be payable to the State of North Carolina. If the bonded carrier is
 2 convicted of a violation covered by the bond, the proceeds of the forfeited
 3 bond shall be paid to the school fund of the county in which the liquor was
 4 seized.

5 (2) Include in its bill of lading, invoice or other memorandum of shipment the
 6 North Carolina code numbers of the spirituous liquor being transported.

7 (3) Include in its bill of lading, invoice or other memorandum of shipment the
 8 route which the vehicle will follow, and the vehicle shall not vary substantially
 9 from that stated route.

10 This subsection does not apply to premixed cocktails.

11 (f) ~~Malt Beverages and Wine~~Beverages, Wine, and Premixed Cocktails Transported by
 12 Boats. – The owner or operator of any boat may transport malt beverages, unfortified ~~wine~~wine,
 13 premixed cocktails, and fortified wine over the waters of this State if ~~he~~the owner or operator
 14 satisfies all requirements of subsection ~~(d)~~(d) of this section.

15"

16 **SECTION 22.(aaa)** G.S. 18B-1118 reads as rewritten:

17 "**§ 18B-1118. Purchase restrictions.**

18 The holder of a malt beverage wholesaler, wine wholesaler, premixed cocktail wholesaler,
 19 malt beverage importer, wine importer, or bottler permit may not purchase malt ~~beverages or~~
 20 wine beverages, wine, or premixed cocktails for resale in this State from a nonresident who does
 21 not have the proper nonresident vendor permit."

22 **SECTION 22.(bbb)** G.S. 18B-1119 reads as rewritten:

23 "**§ 18B-1119. Supplier's financial interest in wholesaler.**

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

27 ...

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

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

35 (1) The wholesaler also possesses a wine importer ~~permit or permit,~~ a malt
 36 beverages importer ~~permit~~permit, or a liquor importer/bottler permit and does
 37 not directly or through an affiliated entity also possess a nonresident wine
 38 vendor ~~permit or permit,~~ a nonresident malt beverages vendor ~~permit~~permit,
 39 or a nonresident premixed cocktail vendor permit issued pursuant to this
 40 Chapter.

41 (2) The wholesaler is an importer in another state, provided such malt beverages,
 42 unfortified wine, premixed cocktails, or fortified wine are transferred to it
 43 through an unaffiliated and independent third party."

44 **SECTION 22.(ccc)** G.S. 18B-1307(b) reads as rewritten:

45 "(b) Approval of Certain Transfers and Mergers. – Upon notice to and approval by the
 46 supplier, an individual owning an interest in a wholesaler may sell, assign or transfer that interest,
 47 including the wholesaler's rights under its franchise agreement with the supplier, to any qualified
 48 person. Likewise, a wholesaler may merge with another wholesaler in the State, transferring to
 49 the new wholesaler entity the merging wholesaler's existing franchise rights. Within 30 days of
 50 receipt of notice of the intended sale, assignment, transfer, or merger, the supplier shall request
 51 any additional relevant, material information reasonably necessary for deciding whether to

1 approve the transaction. The supplier shall have 30 days from receipt of that information to object
2 to the sale, assignment, transfer, or merger. The supplier may object only if the proposed
3 transferee, or the wholesaler resulting from the merger, fails to meet qualifications and
4 standards that are nondiscriminatory, material, reasonable and consistently applied to North
5 Carolina wholesalers by the supplier. The burden shall be upon the supplier to prove that the
6 proposed transferee or merged wholesaler is not qualified. In determining whether the proposed
7 transferee or merged wholesaler is a qualified person, the supplier shall consider, but is not
8 limited to, the following factors:

- 9 (1) Whether the proposed transferee has the financial capacity to purchase the
10 wholesaler or the specified interest upon terms that will not jeopardize the
11 future operation of the business, or whether the new entity resulting from a
12 merger will have such financial capacity to operate successfully, and whether
13 under such ownership the wholesaler will be able to provide financial support
14 necessary to the successful operation of the business, including market
15 spending, capital expenditures, and any equity capitalization or refinancing
16 requirements.
- 17 (2) Whether the proposed transferee, or the new entity resulting from a merger,
18 has the proven business experience to hire and maintain a management team
19 to successfully operate the business.
- 20 (3) If the proposed transferee does not have experience in the beer business,
21 whether the transferee has other experience to enable it to operate a
22 distributorship successfully and whether the transferee is willing to participate
23 in training provided by the supplier.
- 24 (4) Whether the proposed transferee, or a party to the merger, already is a
25 wholesaler for the supplier in a different territory and, if so, whether sufficient
26 time and attention can be devoted to an additional market area.

27 In determining whether a proposed transferee, or the entity resulting from a merger, is a
28 qualified person, a supplier must consider the business on its own merits and may not designate
29 a specifically identified person as the only purchaser who will be approved. Nothing in this
30 subsection is intended to or should be construed to authorize a supplier to match and reassign to
31 a designee the right to purchase the ownership interest, subject to the designee purchasing the
32 ownership interest. Provided, however, a supplier may match and reassign to a designee the right
33 to purchase the ownership interest, subject to the designee purchasing the ownership interest at
34 the price and on the conditions applicable to the purchase proposed by the transferee, if the total
35 annual gross sales of the supplier's malt beverages sold by the selling wholesaler total no more
36 than five percent (5%) of the selling wholesaler's total annual gross sales of ~~wine and malt~~
37 ~~beverages~~ wine, malt beverages, and premixed cocktails in dollars."

38 **SECTION 22.(ddd)** Chapter 18B of the General Statutes is amended by adding a
39 new Article to read:

40 "Article 14.

41 "Premixed Cocktail Franchise Law.

42 **"§ 18B-1400. Purpose.**

43 Pursuant to the authority of the State under the Twenty-First Amendment to the United States
44 Constitution, the General Assembly finds that regulation of the business relations between
45 premixed cocktail manufacturers and importers and the wholesalers of such products, for
46 purposes of sales of premixed cocktails outside of ABC stores, is necessary to:

- 47 (1) Maintain stability and healthy competition in the premixed cocktail industry
48 in this State.
- 49 (2) Promote and maintain a sound, stable, and viable three-tier system of
50 distribution of premixed cocktails to the public.

- 1 (3) Promote the compelling interest of the public in fair business relations
2 between premixed cocktail suppliers and wholesalers, and in the continuation
3 of premixed cocktail franchise agreements on a fair basis.
- 4 (4) Maintain a uniform system of control over the sale, purchase, and distribution
5 of premixed cocktails in the State.
- 6 (5) Prevent unfair or unlawful trade practices by enabling wholesalers to refuse
7 to participate in such practices without fear of arbitrary or unlawful retribution
8 from suppliers.
- 9 (6) Provide wholesalers with rights and remedies in addition to those existing by
10 contract or common law.
- 11 (7) Govern all agreements between suppliers and wholesalers, including any
12 renewals or amendments.
- 13 (8) Protect wholesalers against unfair treatment by suppliers.
- 14 (9) Preserve investments made by wholesalers in franchise agreements through
15 minimization of arbitrary termination.
- 16 (10) Promote consumer choice by ensuring an independent wholesale distribution
17 tier that enables wholesalers to distribute competing products of other
18 suppliers.
- 19 (11) Prevent vertical integration of the premixed cocktail market.

20 **"§ 18B-1401. Definitions.**

21 The following definitions apply in this Article:

- 22 (1) Supplier. – A manufacturer, bottler, or importer of premixed cocktails,
23 including anyone who holds a distillery permit, a liquor importer/bottler
24 permit who imports or bottles premixed cocktails, or a nonresident premixed
25 cocktail vendor permit.
- 26 (2) Wholesaler. – The holder of a premixed cocktail wholesaler permit.

27 **"§ 18B-1402. Franchise agreement.**

28 (a) Nature of Agreement. – A franchise agreement is a commercial relationship between
29 a wholesaler and supplier of a definite or indefinite duration, whether written or oral, including
30 any of the following:

- 31 (1) A relationship whereby a wholesaler is granted the right to offer and sell the
32 brands of premixed cocktails offered by the supplier.
- 33 (2) An agreement whereby a supplier grants to a wholesaler a license to use a
34 trade name, trademark, service mark, or related characteristic and in which
35 there is a community of interest in the marking of the products of the supplier
36 by lease or otherwise.

37 (b) Existence of Agreement. – A franchise agreement as described in subsection (a) of
38 this section exists when any of the following apply:

- 39 (1) The supplier has shipped premixed cocktails to a wholesaler or accepted an
40 order for premixed cocktails from the wholesaler.
- 41 (2) A wholesaler has paid or the supplier has accepted payment for an order of
42 premixed cocktails intended for sale within this State.
- 43 (3) The supplier and wholesaler have filed with the Commission a distribution
44 agreement as required by G.S. 18B-1403.
- 45 (4) A supplier acquires the right to manufacture a premixed cocktail product, or
46 the trade name for such product, or the right to distribute a product, for which
47 a wholesaler has a franchise agreement.

48 **"§ 18B-1403. Filing of distribution agreement; no discrimination.**

49 (a) Filing. – It is unlawful for a supplier to provide premixed cocktails to a wholesaler
50 unless the Commission has received notification from the supplier designating the brands of the
51 supplier which the wholesaler is authorized to sell and the territory in which such sales may take

1 place. If the supplier sells several brands, the agreement need not apply to all brands. A franchise
2 agreement applies to all supplier products under the same brand name, and different categories
3 of products manufactured under a common identifying trade name are considered to be the same
4 brand. No supplier may provide by a distribution agreement for the distribution of a brand to
5 more than one wholesaler for the same territory. A wholesaler shall not distribute any brand of
6 premixed cocktail to a retailer whose premises are located outside the territory specified in the
7 wholesaler's distribution agreement for that brand, except to a retail permittee's off-site airport
8 storage premises pursuant to G.S. 18B-1011. A wholesaler may, however, with the approval of
9 the Commission, distribute premixed cocktails outside its designated territory during periods of
10 temporary service interruption when requested to do so by the supplier and the wholesaler whose
11 service is interrupted.

12 (b) ABC Store Exception. – Notwithstanding subsection (a) of this section, nothing in
13 this Article shall prohibit a supplier from selling premixed cocktails to the ABC Commission for
14 resale in ABC stores. A supplier's sales to the Commission shall not constitute a distribution of
15 the brand within any wholesaler's franchised territory for purposes of this Article.

16 (c) No Discrimination. – A wholesaler shall service all retail permit holders within the
17 wholesaler's designated territory without discrimination and shall make a good-faith effort to
18 make available to each retail permit holder in the territory each brand of premixed cocktail which
19 the wholesaler has been authorized to distribute in that area. The provisions of this subsection
20 shall not apply to retail permit holder private label brands, which, at the retail permit holder's
21 direction, may be sold either exclusively to the retailer that owns the brand name or to all retail
22 permit holders within each territory without discrimination. For purposes of this subsection, the
23 term "retail permit holder private label brand" means a premixed cocktail product that is labeled
24 with a brand name owned by a retailer.

25 (d) No Price Maintenance. – A franchise agreement shall not, either expressly or by
26 implication or in its operation, establish or maintain the resale price of any brand of premixed
27 cocktails by a wholesaler.

28 **"§ 18B-1404. Prohibitions.**

29 It is unlawful for a supplier, or an officer, agent, or representative of a supplier, to do any of
30 the following:

- 31 (1) Coerce or attempt to coerce or persuade a wholesaler to violate any provision
32 of the ABC laws or rules of the Department of Revenue.
- 33 (2) Alter in a material way, terminate, fail to renew, or cause a wholesaler to
34 resign from a franchise agreement with a wholesaler except for good cause
35 and with the notice required by G.S. 18B-1405.
- 36 (3) Withdraw money from or otherwise access a wholesaler's bank accounts
37 without the wholesaler's consent.
- 38 (4) Present a franchise agreement, amendment, or renewal to a wholesaler that
39 attempts to waive compliance with any provision of this Article or that
40 requires a wholesaler to waive compliance with any provision of this Article.
41 A wholesaler entering into a franchise agreement containing provisions in
42 conflict with this Article shall not be deemed to waive rights protected by, or
43 in compliance with, any provision of this Article.
- 44 (5) Induce or coerce, or attempt to induce or coerce, any wholesaler to assent to
45 any franchise agreement, amendment, or renewal that does not comply with
46 this Article and the laws of this State.
- 47 (6) Coerce or attempt to coerce a wholesaler, or its designated or anticipated
48 successor, to sign a franchise agreement, amendment, or renewal to a
49 franchise agreement by threatening to refuse to approve or delay issuing an
50 approval for the sale, transfer, or merger of a wholesaler's business.

- 1 (7) Terminate, cancel, or nonrenew or attempt to terminate, cancel, or nonrenew
2 a franchise agreement on the basis that the wholesaler fails to agree or consent
3 to an amendment to the franchise agreement.
- 4 (8) Prohibit a wholesaler from distributing the product of any other supplier,
5 except that a supplier may prohibit a wholesaler from distributing the product
6 of another supplier if reasonable grounds exist for prohibiting the wholesaler's
7 acquisition of the product and the acquisition would result in the wholesaler
8 acquiring eighty percent (80%) or more by volume of all premixed cocktail
9 products sold in the territory being acquired at the time of the acquisition.
- 10 (9) Refuse to approve or require a wholesaler to terminate a brand manager or
11 successor manager without good cause. A supplier has good cause only if the
12 person designated for approval by the wholesaler fails to meet reasonable
13 standards and qualifications.
- 14 (10) Discriminate in price, allowance, rebate, refund, payment term, commission,
15 discount, or service between wholesalers licensed in North Carolina. As used
16 in this subdivision, "discriminate" means the granting of a more favorable
17 price, allowance, rebate, refund, payment term, commission, discount, or
18 service to one North Carolina wholesaler than to another North Carolina
19 wholesaler based on the quantity of premixed cocktails purchased or for any
20 other reason, but "discriminate" shall exclude the granting of more favorable
21 freight and transportation costs, price promotions on premixed cocktail
22 products for special events in a particular market not to exceed 14 consecutive
23 days, point-of-sale advertising materials, sponsorships, consumer specialty
24 items, consumer sweepstakes, and novelties. A supplier may, however, offer
25 a lower price or discount in order to match that of a competing supplier on a
26 similar category of premixed cocktail products in the entire State or in a
27 particular market. This subdivision shall not apply to a supplier's sales to the
28 ABC Commission.

29 **"§ 18B-1405. Cause for termination of franchise agreement.**

30 (a) Meaning of Good Cause. – Good cause for altering or terminating a franchise
31 agreement, or failing to renew or causing a wholesaler to resign from such an agreement, exists
32 when the wholesaler fails to comply with provisions of the agreement which are reasonable,
33 material, not unconscionable, and which are not discriminatory when compared with the
34 provisions imposed, by their terms or in the manner of enforcement, on other similarly situated
35 wholesalers by the supplier. The meaning of good cause set out in this section may not be
36 modified or superseded by provisions in a written franchise agreement prepared by a supplier if
37 those provisions purport to define good cause in a manner different than specified in this section.
38 In any dispute over alteration, termination, failure to renew, or causing a wholesaler to resign
39 from a franchise agreement, the burden is on the supplier to establish that good cause exists for
40 the action.

41 (b) Notice of Cause. – At least 90 days before altering, terminating, or failing to renew a
42 franchise agreement for good cause, the supplier must give the wholesaler written notice of the
43 intended action and the specific reasons for it. If the cause for the alteration, termination, or
44 failure to renew is subject to correction by the wholesaler, and the wholesaler makes such
45 correction within 45 days of receipt of the notice, the notice shall be void.

46 (c) Termination for Cause without Advance Notice. – A supplier may terminate or fail to
47 renew a franchise agreement for any of the following reasons and the termination shall be
48 complete upon receipt by the wholesaler of a written notice of the termination and the reason:

- 49 (1) Insolvency of the wholesaler, the dissolution or liquidation of the wholesaler,
50 or the filing of any petition by or against the wholesaler under any bankruptcy

- 1 or receivership law which materially affects the wholesaler's ability to remain
2 in business.
- 3 (2) Revocation of the wholesaler's State or federal permit or license for more than
4 30 days.
- 5 (3) Conviction of the wholesaler, or of a partner or individual who owns ten
6 percent (10%) or more of the partnership or stock of the wholesaler, of a
7 felony which might reasonably be expected to adversely affect the goodwill
8 or interest of the wholesaler or supplier. The provisions of this subdivision
9 shall not apply, however, if the wholesaler or its existing partners or
10 stockholders shall have the right to purchase the interest of the offending
11 partner or stockholder, and such purchase is completed within 30 days of the
12 conviction.
- 13 (4) Fraudulent conduct by the wholesaler in its dealings with the supplier or its
14 products.
- 15 (5) Failure of the wholesaler to pay for the supplier's products according to the
16 established terms of the supplier.
- 17 (6) Assignment, sale, or transfer of the wholesaler's business or control of the
18 wholesaler without the written consent of the supplier, except as provided in
19 G.S. 18B-1407.
- 20 (d) Absence of Good Cause. – Good cause for alteration, termination, or failure to renew
21 a franchise agreement does not include:
- 22 (1) The failure or refusal of the wholesaler to engage in any trade practice,
23 conduct, or activity which would violate federal or State law.
- 24 (2) The failure or refusal of the wholesaler to take any action which would be
25 contrary to the provisions of this Article.
- 26 (3) A change in the ownership of the supplier or the acquisition by another
27 supplier of the distillery, brand, or trade name or trademark, or acquisition of
28 the right to distribute a product, from the original supplier.
- 29 (4) Sale or transfer of the rights to manufacture, distribute, or use the trade name
30 of the brand to a successor supplier.
- 31 (5) Failure of the wholesaler to meet standards of operation or performance that
32 have been imposed or revised unilaterally by the supplier without a fair
33 opportunity for the individual wholesaler to bargain as to the terms, unless the
34 supplier has implemented the standards on a national basis and those standards
35 are consistently applied to all similarly situated North Carolina wholesalers in
36 a nondiscriminatory manner.
- 37 (6) The establishment of a franchise agreement between a wholesaler and another
38 supplier, or similar acquisition by a wholesaler of the right to distribute a
39 brand of another supplier.
- 40 (7) The desire of a supplier to consolidate its franchises.

41 **"§ 18B-1406. Remedies for wrongful termination.**

42 (a) Injunctive Relief. – A wholesaler whose franchise agreement is altered, terminated,
43 or not renewed in violation of this Article may bring an action to enjoin such unlawful alteration,
44 termination, or failure to renew. The action may be brought in the county in which the wholesaler
45 has its principal place of business or in any county in which the wholesaler receives or distributes
46 the products in issue. Any injunction issued pursuant to this subsection shall require the
47 wholesaler to supply the customers in its territory with their reasonable retail requirements and
48 to otherwise serve the territory.

49 (b) Monetary Damages. – In lieu of injunctive relief, a wholesaler whose franchise
50 agreement is altered, terminated, or not renewed in violation of this Article shall be entitled to

1 recover monetary damages from the supplier. The amount to which the wholesaler is entitled
2 shall be the value of the wholesaler's business distributing the supplier's products, including:

3 (1) The laid-in costs to the wholesaler of the inventory of the supplier's products,
4 including any State and local taxes paid on the inventory by the wholesaler,
5 plus a reasonable charge for handling of the products upon surrender of the
6 inventory to the supplier.

7 (2) The fair market value of all assets, including ancillary businesses of the
8 wholesaler used in distributing the supplier's products. The total compensation
9 to be paid to the wholesaler shall be reduced, however, by any amount
10 received by the wholesaler from sale of assets of the business used in
11 distributing the supplier's products as well as by the value such assets have to
12 the wholesaler unrelated to the supplier's products. "Fair market value" means
13 the highest dollar amount at which a seller would be willing to sell and a buyer
14 willing to buy at a time prior to the alteration, termination, or failure to renew,
15 when each possesses all information relevant to the transaction.

16 **"§ 18B-1407. Transfer or merger of wholesaler's business.**

17 (a) Right of Transfer to Designated Family Member. – An individual's interest in a
18 wholesaler business, including the rights under the franchise agreement with the supplier, may
19 be transferred or assigned to a designated family member. The transfer or assignment shall not
20 be effective until written notice is given to the supplier, but the supplier's consent is not required
21 for the transfer or assignment. "Designated family member" means the wholesaler's spouse, child,
22 grandchild, parent, brother, sister, niece, or nephew. With respect to an incapacitated individual
23 having an ownership interest in a wholesaler, the term "designated family member" also means
24 the person appointed by the court as the conservator of such individual's property. The term also
25 includes the appointed and qualified personal representative and the testamentary trustee of a
26 deceased wholesaler.

27 (b) Approval of Certain Transfers and Mergers. – Upon notice to and approval by the
28 supplier, an individual owning an interest in a wholesaler may sell, assign, or transfer that
29 interest, including the wholesaler's rights under its franchise agreement with the supplier, to any
30 qualified person. Likewise, a wholesaler may merge with another wholesaler in the State,
31 transferring to the new wholesaler entity the merging wholesaler's existing franchise rights.
32 Within 30 days of receipt of notice of the intended sale, assignment, transfer, or merger, the
33 supplier shall request any additional relevant, material information reasonably necessary for
34 deciding whether to approve the transaction. The supplier shall have 30 days from receipt of that
35 information to object to the sale, assignment, transfer, or merger. The supplier may object only
36 if the proposed transferee, or the wholesalership resulting from the merger, fails to meet
37 qualifications and standards that are nondiscriminatory, material, reasonable, and consistently
38 applied to North Carolina wholesalers by the supplier. The burden shall be upon the supplier to
39 prove that the proposed transferee or merged wholesaler is not qualified. In determining whether
40 the proposed transferee or merged wholesaler is a qualified person, the supplier shall consider,
41 but is not limited to, the following factors:

42 (1) Whether the proposed transferee has the financial capacity to purchase the
43 wholesaler or the specified interest upon terms that will not jeopardize the
44 future operation of the business, or whether the new entity resulting from a
45 merger will have such financial capacity to operate successfully, and whether
46 under such ownership the wholesaler will be able to provide financial support
47 necessary to the successful operation of the business, including market
48 spending, capital expenditures, and any equity capitalization or refinancing
49 requirements.

- 1 (2) Whether the proposed transferee, or the new entity resulting from a merger,
2 has the proven business experience to hire and maintain a management team
3 to successfully operate the business.
- 4 (3) If the proposed transferee does not have experience in the premixed cocktail
5 business, whether the transferee has other experience to enable it to operate a
6 distributorship successfully and whether the transferee is willing to participate
7 in training provided by the supplier.
- 8 (4) Whether the proposed transferee, or a party to the merger, already is a
9 wholesaler for the supplier in a different territory and, if so, whether sufficient
10 time and attention can be devoted to an additional market area.

11 In determining whether a proposed transferee, or the entity resulting from a merger, is a
12 qualified person, a supplier must consider the business on its own merits and may not designate
13 a specifically identified person as the only purchaser who will be approved. Nothing in this
14 subsection is intended to or should be construed to authorize a supplier to match and reassign to
15 a designee the right to purchase the ownership interest, subject to the designee purchasing the
16 ownership interest. Provided, however, a supplier may match and reassign to a designee the right
17 to purchase the ownership interest, subject to the designee purchasing the ownership interest at
18 the price and on the conditions applicable to the purchase proposed by the transferee, if the total
19 annual gross sales of the supplier's premixed cocktails sold by the selling wholesaler total no
20 more than five percent (5%) of the selling wholesaler's total annual gross sales of wine, malt
21 beverages, and premixed cocktails in dollars.

22 (c) Damages. – A supplier who disapproves or prevents a proposed assignment or change
23 of ownership or merger in violation of this section shall be liable to the wholesaler who proposed
24 to make the sale, assignment, transfer, or merger for the difference between the disapproved sale
25 price and a subsequent actual price of a sale of the same assets completed within a reasonable
26 period. If, however, the proposed transfer or sale was to a business associate at a bargain price,
27 the amount of compensation shall be at least the fair market value of the interest proposed to be
28 sold or transferred, minus the proceeds of an actual sale of the interest completed within a
29 reasonable time.

30 **"§ 18B-1408. Article part of all franchise agreements.**

31 The provisions of this Article shall be part of all franchise agreements as defined in
32 G.S. 18B-1402 and may not be altered by the parties. A wholesaler's rights under this Article
33 may not be waived or superseded by the provisions of a written franchise agreement prepared by
34 a supplier that are in any way inconsistent with or contrary to any part of this Article. The rights
35 of a wholesaler under this Article shall remain in effect regardless of a provision in a written
36 franchise agreement prepared by a supplier that purports to require arbitration of a franchise
37 dispute or that purports to require legal remedies to be sought in a different jurisdiction.

38 **"§ 18B-1409. Mediation at direction of Alcoholic Beverage Control Commission.**

39 If a dispute arises between a wholesaler and supplier under this Article, and such dispute
40 appears likely to lead to litigation, the Commission, upon request of any party or on its own
41 initiative, may require the parties to participate in mediation in an effort to resolve the dispute.
42 This authority shall be in addition to the Commission's authority to issue declaratory rulings
43 pursuant to G.S. 150B-4. The Commission may designate the mediator, in which case the
44 Commission shall pay the mediator's fee, or the Commission may direct the parties to agree upon
45 and share the costs of a mediator. If the parties then cannot agree upon a mediator, the
46 Commission shall designate the mediator, and the fees shall be divided evenly by the parties. The
47 Commission shall direct that the mediation be completed within a specified period of time.
48 Except for injunctive relief, no lawsuit or other legal action concerning the dispute may be filed
49 until the mediation is completed and is unsuccessful, unless necessary to avoid expiration of a
50 statute of limitation."

51 SECTION 22.(eee) G.S. 66-58 reads as rewritten:

1 **"§ 66-58. Sale of merchandise or services by governmental units.**

2 (a) Except as provided in this section, it is unlawful for any unit, department, or agency
3 of the State government, or any division or subdivision of the unit, department, or agency, or any
4 individual employee or employees of the unit, department, or agency in his, her, or their capacity
5 as employee or employees thereof to engage directly or indirectly in the sale of goods, wares, or
6 merchandise in competition with citizens of the State, or to engage in the operation of restaurants,
7 cafeterias or other eating places in any building owned by or leased in the name of the State, or
8 to maintain service establishments for the rendering of services to the public ordinarily and
9 customarily rendered by private enterprises, or to provide transportation services, or to contract
10 with any person, firm, or corporation for the operation or rendering of the businesses or services
11 on behalf of the unit, department, or agency, or to purchase for or sell to any person, firm, or
12 corporation any article of merchandise in competition with private enterprise. The leasing or
13 subleasing of space in any building owned, leased, or operated by any unit, department, agency,
14 division, or subdivision of the State for the purpose of operating or rendering of any of the
15 businesses or services referred to in this section is prohibited.

16 (b) Subsection (a) of this section does not apply to any of the following:

17 ...

18 (29) The ABC Commission and local ABC boards for purposes of the sale of
19 premixed cocktails.

20 "

21 **SECTION 22.(fff) G.S. 105-113.68 reads as rewritten:**

22 **"§ 105-113.68. Definitions; scope.**

23 (a) Definitions. – The following definitions apply in this Article:

24 ...

25 (8) Person. – Defined in G.S. 105-228.90.

26 (8a) Premixed cocktail. – Defined in G.S. 18B-101.

27 ...

28 (13) Wholesaler or importer. – When used with reference to a wholesaler or an
29 importer of ~~wine or wine~~, malt beverages, or premixed cocktails, the term
30 includes (i) a resident winery and a wine producer that sells its wines, or wine
31 produced for the permittee under contract, at wholesale to a retailer or at retail
32 retail, (ii) and a resident brewery that sells its malt beverages, or malt
33 beverages produced for the permittee under contract, at wholesale to a retailer
34 or at retail, and (iii) a resident distillery that sells its premixed cocktails,
35 or premixed cocktails produced for the permittee under contract, at wholesale
36 to a retailer or at retail. This subdivision applies to a person that holds any of
37 the following permits issued by the ABC Commission:

38 ...

39 g. Malt beverages wholesaler permit under G.S. 18B-1109.

40 h. Wine producer permit under G.S. 18B-1114.3.

41 i. Premixed cocktail wholesaler permit under G.S. 18B-1109.1.

42 ...

43 (b) Scope. – All alcoholic beverages shall be taxed as provided in this Article regardless
44 whether they meet all criteria of these definitions."

45 **SECTION 22.(ggg) G.S. 105-113.79 reads as rewritten:**

46 **"§ 105-113.79. City wholesaler license.**

47 A city may require city malt ~~beverage and wine beverage~~, wine, and premixed cocktail
48 wholesaler licenses for businesses located inside the city, but may not require a license for a
49 business located outside the city, regardless whether that business sells or delivers malt beverages
50 or wine beverages, wine, or premixed cocktails inside the city. The city may charge an annual tax

1 of not more than thirty-seven dollars and fifty cents (\$37.50) for a ~~city malt beverage wholesaler~~
2 ~~or a city wine wholesaler license.~~license under this section."

3 **SECTION 22.(hhh)** G.S. 105-113.80 reads as rewritten:

4 "**§ 105-113.80. Excise taxes on malt beverages, wine, and ~~liquor.~~liquor, and premixed**
5 **cocktails.**

6 (a) Malt Beverage. – An excise tax of sixty-one and seventy-one hundredths cents
7 (61.71¢) per gallon is levied on the sale of malt beverages.

8 (b) Wine. – An excise tax of twenty-six and thirty-four hundredths cents (26.34¢) per
9 liter is levied on the sale of unfortified wine, and an excise tax of twenty-nine and thirty-four
10 hundredths cents (29.34¢) per liter is levied on the sale of fortified wine.

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

18 (d) Premixed Cocktails. – An excise tax of two dollars and fifty cents (\$2.50) per gallon
19 is levied on the sale of premixed cocktails."

20 **SECTION 22.(iii)** G.S. 105-113.81 reads as rewritten:

21 "**§ 105-113.81. Exemptions.**

22 (a) Major Disaster. – Wholesalers and importers of ~~malt beverages and wine beverages,~~
23 ~~wine, and premixed cocktails~~ are not required to remit excise taxes on malt beverages or wine
24 beverages, wine, or premixed cocktails rendered unsalable by a major disaster. To qualify for
25 this exemption, the wholesaler or importer shall prove to the satisfaction of the Secretary that a
26 major disaster occurred. A major disaster is the destruction, spoilage, or rendering unsalable of
27 50 or more cases, or the equivalent, of ~~malt beverages~~ beverages or premixed cocktails or 25 or
28 more cases, or the equivalent, of wine.

29 (b) Sales to Oceangoing Vessels. – Wholesalers and importers of ~~malt beverages and~~
30 ~~wine beverages, wine, and premixed cocktails~~ are not required to remit excise taxes on malt
31 beverages and wine beverages, wine, and premixed cocktails sold and delivered for use on
32 oceangoing vessels. An oceangoing vessel is a ship that plies the high seas in interstate or foreign
33 commerce, in the transport of freight or passengers, or both, for hire exclusively. To qualify for
34 this exemption the beverages shall be delivered to an officer or agent of the vessel for use on that
35 vessel. Sales made to officers, agents, crewmen, or passengers for their personal use are not
36 exempt.

37 (c) Sales to Armed Forces of the United States. – Wholesalers and importers of ~~malt~~
38 ~~beverages and wine beverages, wine, and premixed cocktails~~ are not required to remit excise taxes
39 on malt beverages and wine beverages, wine, and premixed cocktails sold to the Armed Forces
40 of the United States. The Secretary may require ~~malt beverages and wine beverages, wine, and~~
41 ~~premixed cocktails~~ sold to the Armed Forces of the United States to be marked "For Military Use
42 Only" to facilitate identification of those beverages.

43 (d) Out-of-State Sales. – Wholesalers and importers of ~~malt beverages and~~
44 ~~wine beverages, wine, and premixed cocktails~~ are not required to remit excise taxes on malt
45 beverages and wine beverages, wine, and premixed cocktails shipped out of this State for resale
46 outside the State.

47 (e) Tasting. – Resident breweries, wineries, and distilleries are not required to remit
48 excise taxes on malt beverages, wine, premixed cocktails, or spirituous liquor given free of
49 charge to customers, visitors, and employees on the manufacturer's licensed premises for
50 consumption on those premises.

51"

1 **SECTION 22.(jjj)** G.S. 105-113.83 is amended by adding a new subsection to read:
2 "(a2) Premixed Cocktails. – The excise tax on premixed cocktails levied under
3 G.S. 105-113.80(d) is payable by the resident wholesaler or importer who first handles the
4 beverages in this State. The taxes on premixed cocktails are payable only once on the same
5 beverages. The wholesaler or importer must file a monthly report, and the report is due on or
6 before the fifteenth day of the month following the month covered by the report. The report must
7 include the sales records for the month for which the taxes are paid, indicate the amount of excise
8 tax due, and indicate separately any transactions to which the excise tax does not apply."

9 **SECTION 22.(lll)** G.S. 105-113.83A(a) reads as rewritten:

10 "(a) Registration Required. – A person who holds a wine shipper permit issued under
11 G.S. 18B-1001.1 or one or more of the following ABC permits issued under Article 11 of Chapter
12 18B of the General Statutes must register with the Secretary:

13 ...

14 (12) Nonresident spirituous liquor vendor.

15 (13) Premixed cocktail wholesaler.

16 (14) Nonresident premixed cocktail vendor."

17 **SECTION 22.(mmm)** G.S. 105-251.2(b) is amended by adding a new subdivision
18 to read:

19 "(5) A premixed cocktail wholesaler, as defined in G.S. 18B-1401."

20 **SECTION 22.(nnn)** G.S. 153A-145.7, as amended by Section 5.(c) of this act, reads
21 as rewritten:

22 "**§ 153A-145.7. Hours of certain alcohol sales.**

23 (a) In accordance with G.S. 18B-1004(c), a county may adopt an ordinance allowing for
24 the sale of malt beverages, unfortified wine, premixed cocktails, fortified wine, and mixed
25 beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued
26 under G.S. 18B-1001.

27 (b) In accordance with G.S. 18B-802(b), and only if a local ABC board appointed by the
28 board of county commissioners petitions the board of county commissioners to do so, a county
29 may adopt an ordinance allowing the local ABC board to operate ABC stores on Sundays. If a
30 county adopts an ordinance pursuant to this subsection, it shall notify the Commission within
31 seven days of the adoption of the ordinance."

32 **SECTION 22.(ooo)** G.S. 160A-205.3, as amended by Section 5.(d) of this act, reads
33 as rewritten:

34 "**§ 160A-205.3. Hours of certain alcohol sales.**

35 (a) In accordance with G.S. 18B-1004(c), a city may adopt an ordinance allowing for the
36 sale of malt beverages, unfortified wine, premixed cocktails, fortified wine, and mixed beverages
37 beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under
38 G.S. 18B-1001.

39 (b) In accordance with G.S. 18B-802(b), and only if a local ABC board appointed by the
40 governing body of a city petitions the governing body of the city to do so, a city may adopt an
41 ordinance allowing the local ABC board to operate ABC stores on Sundays. For a local ABC
42 board with multiple municipal appointing authorities, the local ABC board may operate ABC
43 stores on Sundays in any municipality that is an appointing authority for the local ABC board
44 and that adopts an ordinance allowing the local board to do so. If a city adopts an ordinance
45 pursuant to this subsection, it shall notify the Commission within seven days of the adoption of
46 the ordinance."

47 **SECTION 22.(ppp)** The rules of the Alcoholic Beverage Commission pertaining to
48 the possession, consumption, and sale of malt beverages shall apply equally to premixed
49 cocktails. The Commission shall amend its rules as soon as practicable to be consistent with this
50 section.

1 **SECTION 22.(qqq)** Section 22.(ddd) is effective when it becomes law, and applies
2 to distribution agreements entered into and transactions conducted on or after that date. The
3 remainder of this section becomes effective October 1, 2026, and applies to premixed cocktails
4 sold on or after that date.

5
6 **ALLOW WINERIES TO SELL MALT BEVERAGES FOR ON-PREMISES**
7 **CONSUMPTION**

8 **SECTION 23.(a)** G.S. 18B-1001(1) reads as rewritten:

9 "(1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit
10 authorizes (i) the retail sale of malt beverages for consumption on the
11 premises, either alone or mixed with other beverages, (ii) the retail sale of malt
12 beverages in the manufacturer's original container for consumption off the
13 premises, and (iii) the retail sale of malt beverages in a cleaned and sanitized
14 container that is filled or refilled and sealed for consumption off the premises
15 and that identifies the permittee and the date the container was filled or
16 refilled. The permit also authorizes the permittee to transfer malt beverages,
17 not more than four times per calendar year, to another on-premises malt
18 beverage permittee that is under common ownership or control as the
19 transferor. Except as authorized by this subdivision, transfers of malt
20 beverages by on-premises malt beverage permittees, purchases of malt
21 beverages by a retail permittee from another retail permittee for the purpose
22 of resale, and sales of malt beverages by a retail permittee to another retail
23 permittee for the purpose of resale are unlawful. In addition, a particular brand
24 of malt beverages may be transferred only if both the transferor and transferee
25 are located within the territory designated between the brewery and the
26 wholesaler on file with the Commission. Prior to or contemporaneous with
27 any such transfer, the transferor shall notify each wholesaler who distributes
28 the transferred product of the transfer. The notice shall be in writing or
29 verifiable electronic format and shall identify the transferor and transferee, the
30 date of the transfer, quantity, and items transferred. It also authorizes the
31 holder of the permit to ship malt beverages in closed containers to individual
32 purchasers inside and outside the State. The permit may be issued for any of
33 the following:

- 34 a. Restaurants.
- 35 b. Hotels.
- 36 c. Eating establishments.
- 37 d. Food businesses.
- 38 e. Retail businesses.
- 39 f. Private clubs.
- 40 g. Convention centers.
- 41 h. Community theatres.
- 42 i. Breweries as authorized by subdivisions (7) and (8) of
- 43 G.S. 18B-1104(a).
- 44 j. Sports and entertainment venues.
- 45 k. Bars.
- 46 l. The holder of a distillery permit authorized under G.S. 18B-1105.
- 47 m. Wineries as authorized by G.S. 18B-1101(5a) and G.S. 18B-
- 48 1102(5a)."

49 **SECTION 23.(b)** G.S. 18B-1101 reads as rewritten:

50 **"§ 18B-1101. Authorization of unfortified winery permit.**

51 The holder of an unfortified winery permit may:

- 1 ...
- 2 (5) Regardless of the results of any local wine election, sell the wine owned by
- 3 the winery at the winery for on- or off-premise consumption upon obtaining
- 4 the appropriate permit under G.S. 18B-1001;
- 5 (5a) Regardless of the results of any local malt beverage election, sell malt
- 6 beverages for on-premises consumption upon obtaining the appropriate permit
- 7 under G.S. 18B-1001;

8 ...

9 "

10 **SECTION 23.(c)** G.S. 18B-1102 reads as rewritten:
 11 **"§ 18B-1102. Authorization of fortified winery permit.**

12 The holder of a fortified winery permit may:

- 13 ...
- 14 (5) Regardless of the results of any local wine election, sell the winery's wine for
- 15 on-or off-premise consumption upon obtaining the appropriate permit under
- 16 G.S. 18B-1001.
- 17 (5a) Regardless of the results of any local malt beverage election, sell malt
- 18 beverages for on-premises consumption upon obtaining the appropriate permit
- 19 under G.S. 18B-1001.

20 "

21 **SECTION 23.(d)** This section is effective when it becomes law.

22

23 **ALLOW OFF-PREMISES WINE TASTINGS AND CLARIFY THAT WINE SHOP**
 24 **PERMITTEES MAY HOLD MALT BEVERAGE SHOP PERMITS AND THAT MALT**
 25 **BEVERAGE SHOP PERMITTEES MAY HOLD WINE SHOP PERMITS**

26 **SECTION 24.** G.S. 18B-1001 reads as rewritten:
 27 **"§ 18B-1001. Kinds of ABC permits; places eligible.**

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

- 30 ...
- 31 (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine
- 32 permit authorizes (i) the retail sale of unfortified wine for consumption on the
- 33 premises, either alone or mixed with other beverages, (ii) the retail sale of
- 34 unfortified wine in the manufacturer's original container for consumption off
- 35 the premises, ~~and~~ (iii) the retail sale of unfortified wine dispensed from a tap
- 36 connected to a pressurized container utilizing carbon dioxide or similar gas
- 37 into a cleaned and sanitized container that is filled or refilled and sealed for
- 38 consumption off the premises and that identifies the permittee and the date the
- 39 container was filled or ~~refilled~~-refilled, and (iv) wine tastings conducted at a
- 40 consumer's private residence or a location not holding a permit under this
- 41 section where consumers are educated about selection, serving, and storing of
- 42 wine by the permittee or the permittee's employee or agent utilizing wine from
- 43 the permit holder's inventory and consumers may purchase wine for future
- 44 delivery or pick-up at the permittee's permitted premises. The permit also
- 45 authorizes the permittee to transfer unfortified wine, not more than four times
- 46 per calendar year, to another on-premises unfortified wine permittee that is
- 47 under common ownership or control as the transferor. Except as authorized
- 48 by this subdivision, transfers of wine by on-premises unfortified wine
- 49 permittees, purchases of wine by a retail permittee from another retail
- 50 permittee for the purpose of resale, and sale of wine by a retail permittee to
- 51 another retail permittee for the purpose of resale are unlawful. In addition, a

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

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

28 Additionally, an on-premises unfortified wine permit authorizes a permittee
29 that is a restaurant, eating establishment, hotel, private club, bar, brewery,
30 winery, or wine producer to sell at retail single-serving unfortified wine drinks
31 for consumption off the premises, including delivery by the permittee or a
32 delivery service permittee. Single-serving unfortified wine drinks sold for
33 consumption off the premises must be sold with food and shall be packaged
34 in a container with a secure lid or cap and in a manner designed to prevent
35 consumption without removal of the lid or cap. The container shall be no
36 greater than 24 fluid ounces. In accordance with G.S. 20-138.7, the
37 transportation of single-serving unfortified wine drinks in a motor vehicle
38 shall not be unlawful if the container is an unopened manufacturer's original
39 container or is transported in a locked container, in the trunk, or in the area
40 behind the last upright seat in a motor vehicle not equipped with a trunk.
41 Notwithstanding G.S. 18B-1010, the sale of more than two single-serving
42 unfortified wine drinks at one time shall not be unlawful if the single-serving
43 unfortified wine drinks are sold for delivery or consumption off the permittee's
44 premises. No single-serving unfortified wine by the drink ordered for
45 off-premises consumption shall be provided to any person other than the
46 purchaser of the single-serving unfortified wine drink, except that in the case
47 of delivery, the delivery service permittee through its employees or agents
48 may provide the single-serving unfortified wine drink to a person other than
49 the purchaser if the permittee or the permittee's employees or agents verify
50 that the person is over 21 years of age using age verification software requiring

1 the recipient to provide a form of photographic identification authorized in
2 G.S. 18B-302(d)(1).

3 ...
4 (16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt
5 beverages, unfortified wine, and fortified wine in the manufacturer's original
6 container for consumption off the premises, (ii) the retail sale of malt
7 beverages or unfortified wine dispensed from a tap connected to a pressurized
8 container utilizing carbon dioxide or similar gas in a cleaned and sanitized
9 container that is filled or refilled and sealed for consumption off the premises
10 and that identifies the permittee and the date the container was filled or
11 refilled, ~~and~~ (iii) wine tastings on the premises conducted and supervised by
12 the permittee in accordance with subdivision (15) of this ~~section~~ section, and
13 (iv) wine tastings conducted at a consumer's private residence or a location
14 not holding a permit under this section where consumers are educated about
15 selection, serving, and storing of wine by the permittee or the permittee's
16 employee or agent utilizing wine from the permit holder's inventory and
17 consumers may purchase wine for future delivery or pick-up at the permittee's
18 permitted premises. It also authorizes the holder of the permit to ship malt
19 beverages, unfortified wine, and fortified wine in closed containers to
20 individual purchasers inside and outside the State. The permit may be issued
21 for retail businesses whose primary purpose is selling malt beverages and wine
22 for consumption off the premises and regularly and customarily educating
23 consumers through tastings, classes, and seminars about the selection, serving,
24 and storing of wine. The holder of the permit is authorized to sell unfortified
25 wine for consumption on the premises, provided ~~that that~~, except as otherwise
26 provided in this subdivision, the sale of wine for consumption on the premises
27 does not exceed forty percent (40%) of the establishment's total sales for any
28 30-day period. The holder of a wine-tasting permit not engaged in the
29 preparation or sale of food on the premises is not subject to Part 6 of Article 8
30 of Chapter 130A of the General Statutes. A holder of a wine shop permit shall
31 also be eligible to hold a malt beverage shop permit under
32 G.S. 18B-1001(16a). If the holder of a wine shop permit also holds a malt
33 beverage shop permit, then the sales of alcoholic beverages for consumption
34 on the premises may not exceed forty percent (40%) of the establishment's
35 total sales for any 30-day period.

36 (16a) Malt Beverage Shop Permit. – A malt beverage shop permit authorizes (i) the
37 retail sale of malt beverages, unfortified wine, and fortified wine in the
38 manufacturer's original container for consumption off the premises, (ii) the
39 retail sale of malt beverages dispensed from a tap connected to a pressurized
40 container utilizing carbon dioxide or similar gas in a cleaned and sanitized
41 container that is filled or refilled and sealed for consumption off the premises
42 and that identifies the permittee and the date the container was filled or
43 refilled, and (iii) malt beverage tastings on the premises conducted and
44 supervised by the permittee in accordance with subdivision (18) of this
45 section. It also authorizes the holder of the permit to ship malt beverages,
46 unfortified wine, and fortified wine in closed containers to individual
47 purchasers inside and outside the State. The permit may be issued for retail
48 businesses whose primary purpose is selling malt beverages for consumption
49 off the premises and regularly and customarily educating consumers through
50 tastings, classes, and seminars about the selection, serving, and storing of malt
51 beverages. The holder of the permit is authorized to sell malt beverages for

1 consumption on the premises, provided ~~that that~~, except as otherwise provided
 2 in this subdivision, the sale of malt beverages, combined, for consumption on
 3 the premises does not exceed forty percent (40%) of the establishment's total
 4 sales for any 30-day period. The holder of a malt beverage tasting permit not
 5 engaged in the preparation or sale of food on the premises is not subject to
 6 Part 6 of Article 8 of Chapter 130A of the General Statutes. A holder of a malt
 7 beverage shop permit shall also be eligible to hold a wine shop permit under
 8 G.S. 18B-1001(16). If the holder of a malt beverage shop permit also holds a
 9 wine shop permit, then the sales of alcoholic beverages for consumption on
 10 the premises may not exceed forty percent (40%) of the establishment's total
 11 sales for any 30-day period.

12"

13
 14 **CLARIFY SAFE HARBOR FOR LATE ABC PERMIT RENEWALS**

15 **SECTION 25.(a)** G.S. 18B-903 reads as rewritten:

16 **"§ 18B-903. Duration of permit; renewal and transfer.**

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

19 ...

20 (5) All other ABC permits shall be valid ~~for one year~~, from May 1 to ~~April 30~~. May
 21 30 of the following year, as provided in subsection (b3) of this section.

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

29 (b1) Registration. – Each person holding a malt beverage, fortified wine, or unfortified
 30 wine permit issued pursuant to G.S. 18B-902(d)(1) through G.S. 18B-902(d)(6) shall register by
 31 May 1 of each year on a form provided by the Commission, in order to provide information
 32 needed by the State in enforcing this Chapter and to support the costs of that enforcement. The
 33 registration required by this subsection shall be accompanied by an annual registration ~~and~~
 34 ~~inspection~~-fee of four hundred dollars (\$400.00) for each permit held. The fee shall be paid by
 35 May 1 of each year. A registration fee shall not be refundable. Failure to pay the annual
 36 registration ~~and inspection~~-fee shall result in revocation of the permit.

37 ...

38 (b3) Safe Harbor; Late Fees. – Notwithstanding subsection (a) of this section, no permit
 39 issued under Article 10 of this Chapter, other than a special occasion permit, limited special
 40 occasion permit, special one-time permit, or special auction permit, shall expire or be revoked or
 41 cancelled by the Commission shall not revoke a permit for failure to pay a renewal application
 42 fee or an annual registration ~~and inspection~~-fee until June 1 of each ~~year~~. year, and the permittee
 43 shall be allowed to operate under the permit until that date. No later than five business days after
 44 April 30 of each year, the Commission shall notify permittees who have not paid any required
 45 renewal application fees or annual registration ~~and inspection~~-fees as of ~~April 30~~. April 30 by
 46 email or first-class mail. The Commission shall charge a late fee of twenty-five percent (25%) of
 47 the renewal application fee or registration ~~and inspection~~-fee for a permit for which the renewal
 48 application fee or registration ~~and inspection~~-fee is submitted after April 30.

49"

50 **SECTION 25.(b)** G.S. 18B-900(a)(6) reads as rewritten:

1 "(6) Not have had an alcoholic beverage permit revoked within three years, except
2 where the revocation was based solely on a permittee's failure to pay the
3 annual registration ~~and inspection~~ fee required in G.S. 18B-903(b1)."

4 **SECTION 25.(c)** This section is retroactively effective June 28, 2024.

5
6 **MODIFY THE PROHIBITIONS ON ABC PERMITTEES EMPLOYING CERTAIN**
7 **INDIVIDUALS**

8 **SECTION 26.(a)** G.S. 18B-1003(c) reads as rewritten:

9 "(c) Certain Employees Prohibited. – A permittee shall not knowingly employ in the sale
10 or distribution of alcoholic beverages any person who has been:

- 11 (1) Convicted of a felony within three years;
12 (2) Convicted of a felony more than three years previously and has not had ~~his~~
13 the person's citizenship restored;
14 (3) Convicted of an alcoholic beverage offense within two years; or
15 (4) ~~Convicted of a misdemeanor controlled substances offense within two years;~~
16 (5) A past permit holder under Chapter 18B of the General Statutes whose permit
17 had been revoked within the last 18 months and who had been the permit
18 holder at the location where the person would be employed.

19 For purposes of this subsection, "conviction" has the same meaning as in G.S. 18B-900(b).
20 To avoid undue hardship, the Commission may, in its discretion, exempt persons on a
21 case-by-case basis from this subsection. If the Commission has notified a permittee of a potential
22 violation of this subsection but the permittee intends to claim undue hardship, the permittee may
23 continue to employ the person in question until the final determination of undue hardship."

24 **SECTION 26.(b)** The ABC Commission shall adopt rules to amend its rules
25 consistent with this section.

26 **SECTION 26.(c)** This section is effective when it becomes law and applies to
27 individuals employed by ABC permittees and undue hardship proceedings initiated or pending
28 on or after that date.

29
30 **ALLOW IN-STAND SALES AT CONCERTS**

31 **SECTION 27.** G.S. 18B-1009 reads as rewritten:

32 "**§ 18B-1009. In-stand sales.**

33 (a) Nothing in this Chapter shall be construed to prohibit a retail permittee from selling
34 for consumption, malt beverages in the seating areas of stadiums, ballparks, theaters,
35 amphitheaters, and other similar public places with a seating capacity of 3,000 or more during
36 concerts or professional sporting events, provided that:

- 37 (1) The seating areas are designated as part of the retail permittee's licensed
38 premises;
39 (2) The retail permittee has notified the Commission, in writing, of its intent to
40 sell malt beverages in the seating areas at concerts or sporting events;
41 (3) Service of food and nonalcoholic beverages is available in the seating areas;
42 (4) The retail permittee has certified to the Commission that it has trained its
43 employees:
44 a. To identify underage persons and intoxicated persons; and
45 b. To refuse to sell malt beverages to those persons as required by G.S.
46 18B-305; and
47 (5) The employees do not verbally shout or hawk the sale of malt beverages.

48 (b) The North Carolina Alcoholic Beverage Control Commission shall adopt rules for the
49 suspension of alcohol sales in the latter portion of concerts or professional sporting events in
50 order to protect public safety at these events."
51

AMEND DEFINITION OF TOURISM ABC ESTABLISHMENT

SECTION 28. G.S. 18B-101(14a) reads as rewritten:

"(14a) "Tourism ABC establishment" means a restaurant or hotel that is in a county in which the on-premises or off-premises sale of malt beverages or unfortified wine is authorized in at least one city and that meets ~~both~~ either of the following requirements:

- a. Is located on property, a property line of which is located within ~~1.5~~ two miles of the end of an entrance or exit ramp of a junction on a national scenic parkway designed to attract local, State, national, and international tourists between the State line and Milepost 469, provided that the Eastern Band of Cherokee Indians tribal alcoholic beverage control commission established under G.S. 18B-112 shall have exclusive authority to issue permits pursuant to this subdivision between Milepost 460 and the southern terminus of the national scenic byway at Milepost 469 for any restaurant or hotel that is located wholly on Indian Country lands.
- b. ~~Is located in a county in which the on-premises or off-premises sale of malt beverages or unfortified wine is authorized in at least one city.~~ on property, a property line of which is located within three miles of the State line, that is adjacent to a North Carolina scenic byway."

REVISE LAW GOVERNING GAME NIGHTS

SECTION 29.(a) G.S. 14-309.28 reads as rewritten:

"§ 14-309.28. Limits on game night events.

The following limitations apply to game night events:

- (1) The number of game night events conducted or sponsored by an exempt organization shall be limited to ~~four~~ 24 events per year.
- ...
- (5) A qualified facility ~~authorized to host a game night under this Part~~ shall not host more than ~~two~~ 24 game nights in any calendar ~~month-year~~."

SECTION 29.(b) This section becomes effective October 1, 2026, and applies to game nights conducted on or after that date.

REVISE LAW GOVERNING RAFFLES

SECTION 30.(a) G.S. 14-309.15 reads as rewritten:

"§ 14-309.15. Raffles.

(a) It is lawful for any nonprofit organization, candidate, political committee, or any government entity within the State, to conduct raffles in accordance with this section. Each regional or county chapter of a nonprofit organization is eligible to conduct raffles in accordance with this section independently of its parent organization. Any person who conducts a raffle in violation of any provision of this section is guilty of a Class 2 misdemeanor. Upon conviction that person shall not conduct a raffle for a period of one year. It is lawful to participate in a raffle conducted pursuant to this section. It is not a violation of State law to advertise a raffle conducted in accordance with this section. A raffle conducted pursuant to this section is not "gambling." ~~For the purpose of this section, "candidate" and "political committee" have the meaning provided by Article 22A of Chapter 163 of the General Statutes, who have filed organization reports under that Article, and who are in good standing with the appropriate board of elections. Receipts and expenditures of a raffle by a candidate or political committee shall be reported in accordance with Article 22A of Chapter 163 of the General Statutes, and ticket purchases are contributions within the meaning of that Article.~~

1 (b) For purposes of this section "raffle" means a The following definitions apply in this
2 section:

3 (1) 50/50 raffle. – A raffle conducted by a nonprofit organization or any
4 government entity within the State whereby funds collected by sale of raffle
5 tickets are split evenly between the prize winner or winners and the nonprofit
6 organization or government entity after the raffle drawing.

7 (2) Candidate. – As defined in Article 22A of Chapter 163 of the General Statutes.
8 This term only includes candidates who have filed organization reports under
9 that Article and who are in good standing with the appropriate board of
10 elections.

11 (3) Net proceeds of a raffle. – The receipts less the cost of prizes awarded.

12 (4) Political committee. – As defined in Article 22A of Chapter 163 of the General
13 Statutes. This term only includes political committees that have filed
14 organization reports under that Article and that are in good standing with the
15 appropriate board of elections.

16 (5) Raffle. – A game in which the prize is won by random drawing of the name
17 or number of one or more persons purchasing chances.

18 (c) A nonprofit organization may hold no more than five raffles per year.

19 (d) Except as provided in subsection (g) of this section, the maximum cash prize that may
20 be offered or paid for any one raffle is one hundred twenty-five thousand dollars (\$125,000) and
21 if merchandise is used as a prize, and it is not redeemable for cash, the maximum fair market
22 value of that prize may be one hundred twenty-five thousand dollars (\$125,000). The total cash
23 prizes offered or paid by any nonprofit organization shall not exceed two hundred fifty thousand
24 dollars (\$250,000) in any calendar year. The total fair market value of all prizes offered by any
25 nonprofit organization, either in cash or in merchandise that is not redeemable for cash, shall not
26 exceed two hundred fifty thousand dollars (\$250,000) in any calendar year.

27 (e) Raffles shall not be conducted in conjunction with bingo.

28 (f) ~~As used in this subsection, "net proceeds of a raffle" means the receipts less the cost~~
29 ~~of prizes awarded.~~ No less than ninety percent (90%) of the net proceeds of a raffle shall be used
30 by the nonprofit organization for charitable, religious, educational, civic, or other nonprofit
31 purposes. None of the net proceeds of the raffle shall be used to pay any person to conduct the
32 raffle, or to rent a building where the tickets are received or sold or the drawing is conducted.

33 (g) Real property may be offered as a prize in a raffle. Any nonprofit organization
34 offering real property as a prize in a raffle shall provide the property free from all liens, provide
35 an owner affidavit and indemnity agreement, and provide a title commitment for the property
36 and shall make that commitment available for inspection upon request. The total appraised value
37 of all real estate prizes offered by any nonprofit organization shall not exceed two million two
38 hundred fifty thousand dollars (\$2,250,000) in any calendar year.

39 (h) Notwithstanding any other subsection of this section, it is lawful for a federally
40 insured depository institution to conduct a savings promotion raffle under G.S. 53C-6-20,
41 54-109.64, 54B-140, or 54C-180.

42 (i) The restrictions set forth in subsections (c) through (g) of this section do not apply to
43 50/50 raffles conducted by nonprofit organizations or government entities within the State."

44 **SECTION 30.(b)** This section becomes effective August 1, 2026, and applies to
45 offenses committed on or after that date.

46 SEVERABILITY CLAUSE AND EFFECTIVE DATE

47 **SECTION 31.(a)** If any provision of this act or the application thereof to any person
48 or circumstances is held invalid, such invalidity shall not affect other provisions or applications
49 of this act that can be given effect without the invalid provision or application and, to this end,
50 the provisions of this act are declared to be severable.
51

1 **SECTION 31.(b)** Except as otherwise provided, this act is effective when it becomes
2 law.