

ABC PERMIT REVOCATION: PROCESS AND STATISTICS

*Joint Legislative Oversight Committee
on Justice and Public Safety*

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Revocations are RARE

NOT the same as suspension

Qualifications to receive and to hold permits:

18B-900(a)(6) – Not have had an alcoholic beverage permit revoked within three years, *except where the revocation was based solely on a permittee's failure to pay the annual registration and inspection fee required in G.S. 18B-903(b1).*

Authority

Governed by:

18B-104 – Penalties allowed

18B-906 – Administrative Procedure Act (150B)

ABC Violations 2016/2017

1,324

Cases closed

- **Average 80 cases on agenda per month**
- **Violation penalties:**
 - 2014: \$713,650**
 - 2015: \$809,300**
 - 2016: \$1,157,700**

ABC Permit Cancellations 2016/2017

36,734

(voluntary and involuntary)

Violation Process

Violation report submitted to ABC Commission

Notice of Alleged Violation (NOAV) and Proposed Stipulation and Offer in Compromise (OIC) mailed

Either OIC is signed and returned OR ABC files a Petition for a hearing through OAH

Signed OIC goes before the Commission for ratification

Signed Settlement

- Signed offer ratified by ABC Commission
- Standard language –
“Permittee shall surrender ALL ABC permits for cancellation on or before January 5, 2018, to avoid revocation of said permits on January 12, 2018.”

Office of Administrative Hearings

Hearing before Administrative Law Judge with evidence/testimony



Administrative Law Judge issues opinion



Period for appeal passes



ABC Commission imposes penalty



Minimum 4-month process from filing of Petition

ABC Permits Revoked or Rejected

- **Revocations**

Per database: 7

Per ALJ decisions: 17

(1 decision both suspended and revoked)

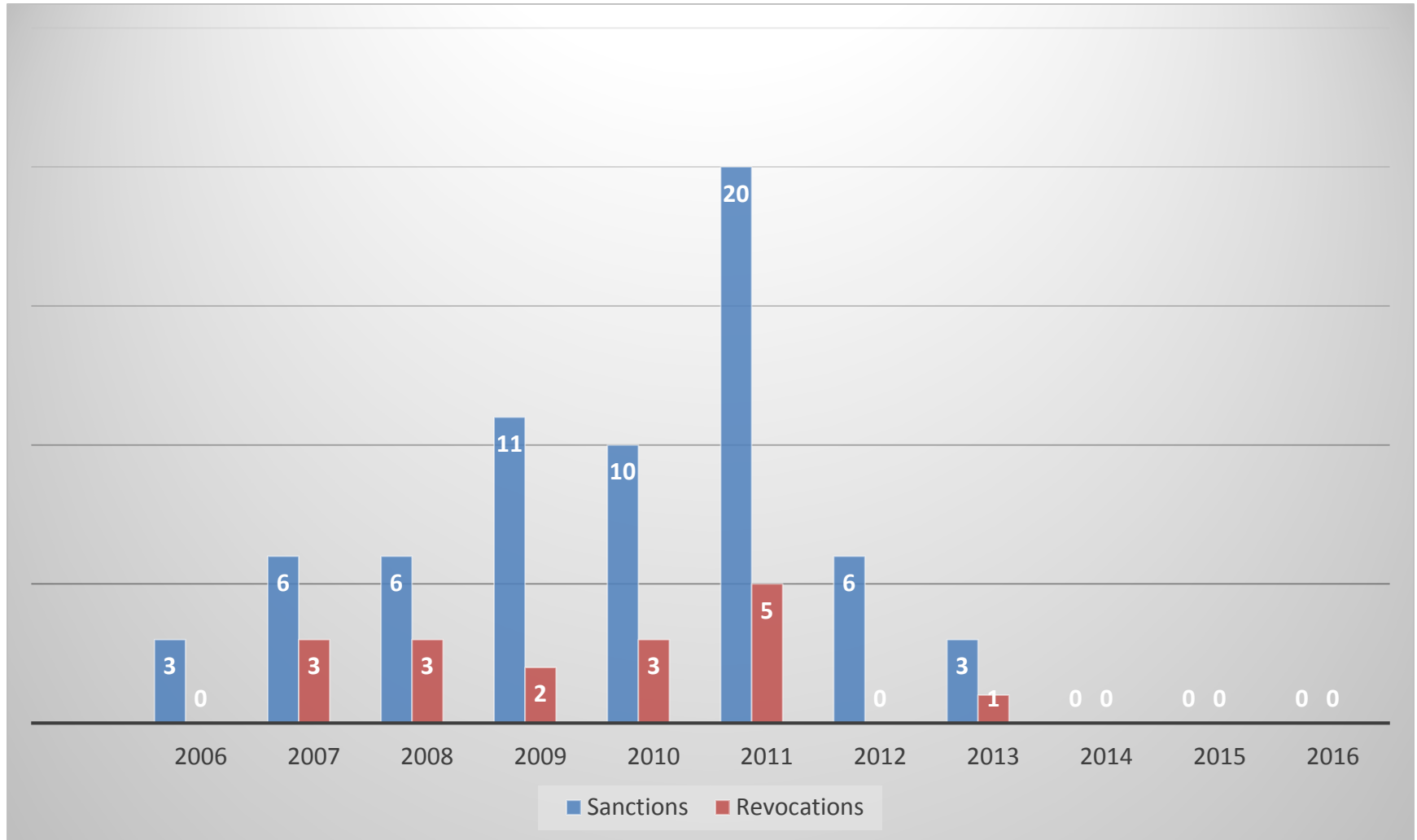
- **Application Rejections**

Per database: 247

Appealed: 13

Upheld: 6

OAH Sanctions/Revocation



Basis for Revocation by OAH

- **Sanctions – Fail to respond to OAH**
- **Failure to file audit reports**
- **Failure to qualify as restaurant (MXB only)**
- **No longer suitable**

Basis for Request of Revocation

- **Interfere with Law Enforcement**
- **Violence**
- **Prolific Sales to Underage**
- **Drugs (more than simple possession)**
- **No longer suitable**

Summary Suspensions

- **G.S. §150B-3(c) – agency finds that the public, health, safety, or welfare requires emergency action**
- **Over past 10 years, Commission has issued an average of 5 summary suspensions per year
(as few as 2 and as many as 10)**

Uphill Battle

**Greater than 50% of
Summary Suspensions, Application Rejections,
and No Longer Suitable cases are overturned**