

**2001-2002**

**HOUSE  
ALCOHOLIC BEVERAGE  
CONTROL**

**MINUTES**

North Carolina General Assembly  
Pending House Committee on  
Alcoholic Beverage Control

Date: 12/18/2001  
Time: 13:57  
Page: 001 of 001  
Leg. Day: H-179/S-173

2001-2002 Biennium

Bill	Short Title		Date	Latest Action
H 152	TOURISM ABC ESTABLISHMENT.	H	02-19-2001	Ref To Com On Alcoholic Beverage Control
H 179	ABC COMM-/CONSIDER PROXIMITY OF LICENSEES .	H	02-20-2001	Ref To Com On Alcoholic Beverage Control
H 549	BEER AND WINE TAX DISTRIBUTION.	H	03-12-2001	Ref To Com On Alcoholic Beverage Control
H1005=	POSSESSING FRAUDULENT ID TO GET LIQUOR.	H	04-09-2001	Ref To Com On Alcoholic Beverage Control
H1173	ABC PERMITS IN STATE ECONOMIC ZONES.	H	04-12-2001	Ref To Com On Alcoholic Beverage Control
H1305	ABC STORE SIGNS LIMITED.	H	04-12-2001	Ref To Com On Alcoholic Beverage Control

'\$' indicates the bill is an appropriation bill.

A bold line indicates the bill is an appropriation bill.

'\*' indicates that the text of the original bill was changed by some action.

'=' indicates that the original bill is identical to another bill.

**HOUSE COMMITTEE ON  
ALCOHOLIC BEVERAGE CONTROL**

**2001-2002**

**CHAIR  
REPRESENTATIVE PRYOR GIBSON**

**Committee Assistant**

**Shirlyn MacPherson**

**NORTH CAROLINA GENERAL ASSEMBLY**

**ALCOHOLIC BEVERAGE CONTROL**

**2001 – 2002 SESSION**



**Rep.  
Gibson  
Chair**



**Rep.  
Hensley  
Vice-Chair**



**Rep. Baker**



**Rep.  
Creech**



**Rep. Hall**



**Rep.  
Hunter**



**Rep.  
McMahan**



**Rep.  
Morris**

**HOUSE COMMITTEE ON ALCOHOL BEVERAGE**  
**CONTROL**  
**1999 – 2000 Session**

<b><u>MEMBER</u></b>		<b><u>ASSISTANT</u></b>	<b><u>PHONE</u></b>	<b><u>OFFICE</u></b>	<b><u>SEAT</u></b>
GIBSON, Pryor	Chair	Shirlyn MacPherson	715-3007	419A	108
HENSLEY, Bob	Vice-Chair	Margie Penven	733-5780	610	79
BAKER, Rex		Ann Misenheimer	733-5787	608	73
CREECH, Billy		Rhonda Todd	733-5609	1409	88
HALL, John		Joan Peacock	733-5898	614	60
HUNTER, Howard		Barbara Phillips	733-2962	613	68
McMAHAN, William		Sharon Cram	733-5934	1104	54
MORRIS, Amelia		Joy Feagin	733-5741	1315	65

Brenda Carter, Susan Sitze, Committee Counsel

## Alcoholic Beverage Control Committee

[illegible]

# **HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL**

## **Meeting Agenda**

**March 15, 2001**

**1. Call to Order – Representative Gibson, Presiding**

**2. Bills to be considered:**

**HB 152 – TOURISM ABC ESTABLISHMENT  
Representative Haire**

**HB 446 – AUTHORIZE LOCAL ABC BOARDS TO ENTER  
COOPERATIVE AGREEMENTS FOR MANAGEMENT OF ABC  
STORES  
Representative Gibson**

**3. Adjourn**

# **HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL**

**March 15, 2001**

## **MINUTES**

The House Committee on Alcoholic Beverage Control met Thursday, March 15, 2001, in Room 415 of the Legislative Office Building at 11:00. Representative Pryor Gibson, Chair, presided. Other members attending were Vice-Chair Representative Bob Hensley, Representatives Rex Baker, Billy Creech, William McMahan, and Amelia Morris. Representative John Hall was excused. A Visitor Registration list is attached and made part of these minutes.

Chair Gibson called the meeting to order at 11:10 a.m. and introduced the Sergeant of Arms, Pages, and Committee Staff.

HB 152 – Tourism ABC Establishment (Attachments 1&1A) – Representative Philip Haire explained that there is a statute currently that defines what a tourist ABC establishment is in the area from the Virginia State Line along the Blue Ridge Parkway, a distance of 460 miles (milepost #460)(Attachment 2). The bill would permit the line to be extended to milepost #469 and terminate within the confines of the Cherokee Reservation. It makes the option for ABC tourism establishments within the confines of these 9 miles available. Representative Baker said that the statute went only to #460 because the Cherokees did not want it. Further, he asked if the area encompasses the casino. Representative Haire said this juncture is more than a mile and a half from the casino and does not include the casino. The terminus would be within the Great Smoky National Park. The statute does not permit mixed beverages, only beer and wine.

Representative Marge Carpenter spoke in opposition to the bill because the sale of liquor is not allowed on Cherokee Tribal Land. There also is a land swap in process between the Cherokee Tribe and the Federal government of the Smoky Mountain National Park in and around this mile marker, which is designated for a middle/high school complex. She also stated that the people in Swain County filed suit to declare the law unconstitutional. Representative Carpenter requested the Committee give the bill an unfavorable report.

Chair Gibson interjected that this was an unusual issue because it involved Federal land, Indian land, public parkways and local issues. The discussion emphasized that the bill would create an option for businesses located on the reservation to implement the option for tourist establishments to serve beer and wine. Staff Counsel Brenda Carter said that if the area were legal, the Tribe would have this option.



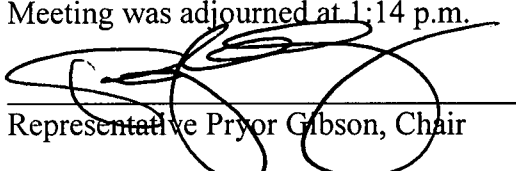
Representative Creech said that it was stated that it was a local bill, but there is local opposition. He said he would feel easier if the Eastern Band Tribal Council had requested a resolution first. Representative Gibson reiterated that Tribal members had contacted Representative Haire to request the bill.

Representative Creech asked that the bill be removed from the calendar and asked for a Tribal resolution. Representative McMahan removed his motion from the floor.

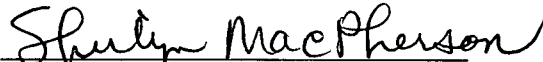
Vice Chair Hensley took over the gavel to allow Representative Gibson to present his bill.

HB 446 – Joint ABC Store Operations-AB (Attachment 3, 3A) – Representative Gibson said this bill would facilitate saving money, consolidating services and increased services and management performance. It would combine two ABC establishments which are located adjacent and in adjacent counties. John Carr and John Jordan, North Carolina Association of ABC Boards, and agency bill, which amends the Statute. This bill will facilitate saving money, provide better services, and increase the possibility of profits of combined closely located operations. This is an optional issue by voluntary agreement of the two systems and subject to the commission's approval. Representative Creech moved for a favorable report. Passed.

Meeting was adjourned at 1:14 p.m.



Representative Pryor Gibson, Chair



Shirlyn MacPherson, Committee Asst.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

1

## HOUSE BILL 152

Short Title: Tourism ABC Establishment.

(Public)

Sponsors: Representative Haire.

Referred to: Alcoholic Beverage Control.

February 19, 2001

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE DEFINITION OF "TOURISM ABC ESTABLISHMENT".  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 18B-101(14a) reads as rewritten:  
5 "§ 18B-101. Definitions.

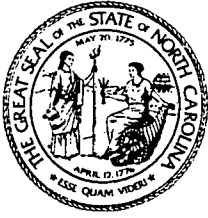
6 As used in this Chapter, unless the context requires otherwise:

7 ...  
8 (14a) "Tourism ABC establishment" means a restaurant or hotel that meets  
9 both of the following requirements:

- 10 a. Is located on property, a property line of which is located within  
11 1.5 miles of the end of an entrance or exit ramp of a junction on  
12 a national scenic parkway designed to attract local, State,  
13 national, and international tourists between the State line and  
14 Milepost ~~460~~.469.  
15 b. Is located in a county in which the on-premises or off-premises  
16 sale of malt beverages or unfortified wine is authorized in at  
17 least one city.

18 ...."

19 SECTION 2. This act is effective when it becomes law.



## HOUSE BILL 152: Tourism ABC Establishment

### BILL ANALYSIS

**Committee:** House ABC  
**Date:** March 15, 2001  
**Version:** 1<sup>st</sup> Edition

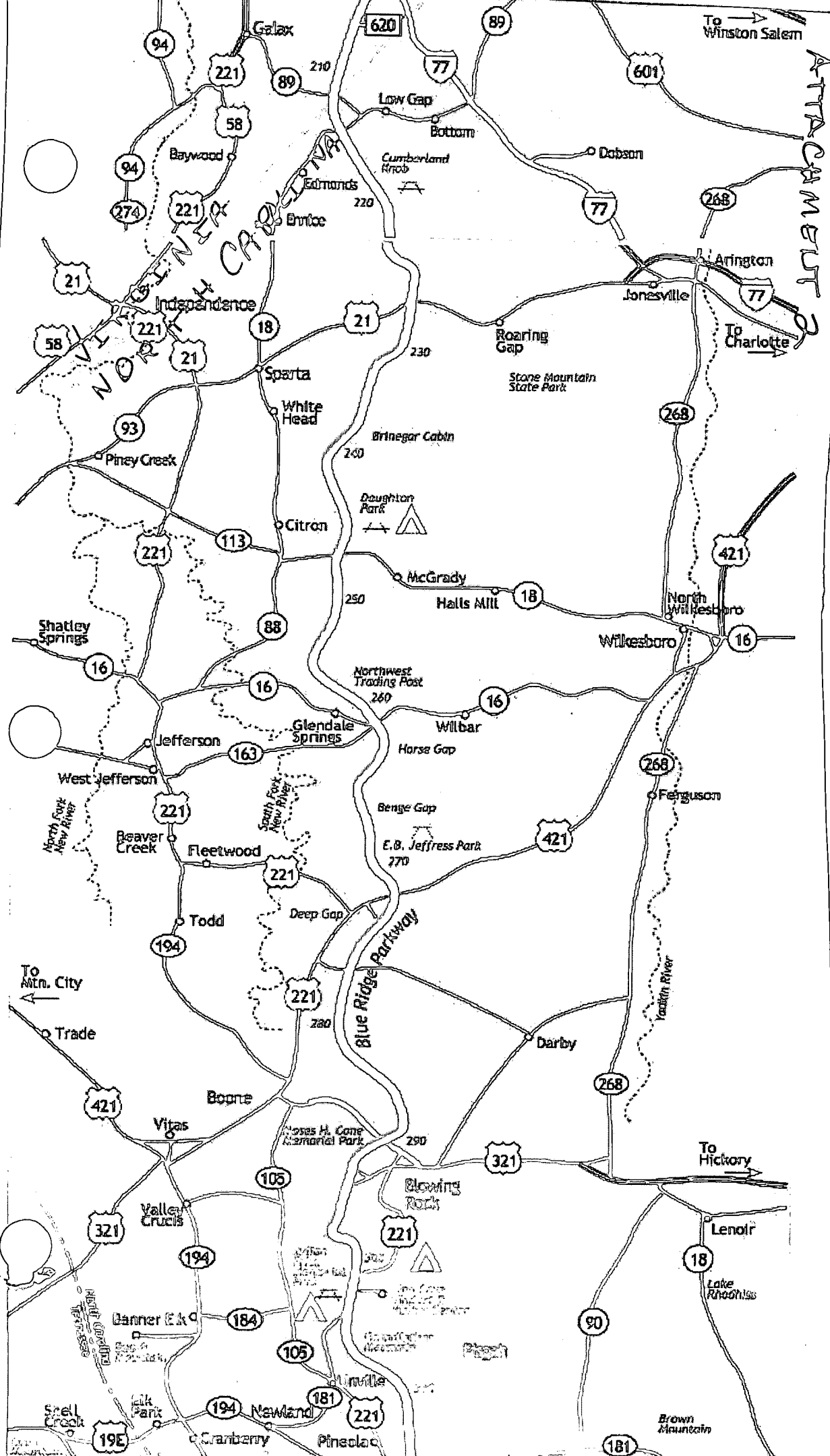
**Introduced by:** Representative Haire  
**Summary by:** Brenda J. Carter  
Committee Counsel

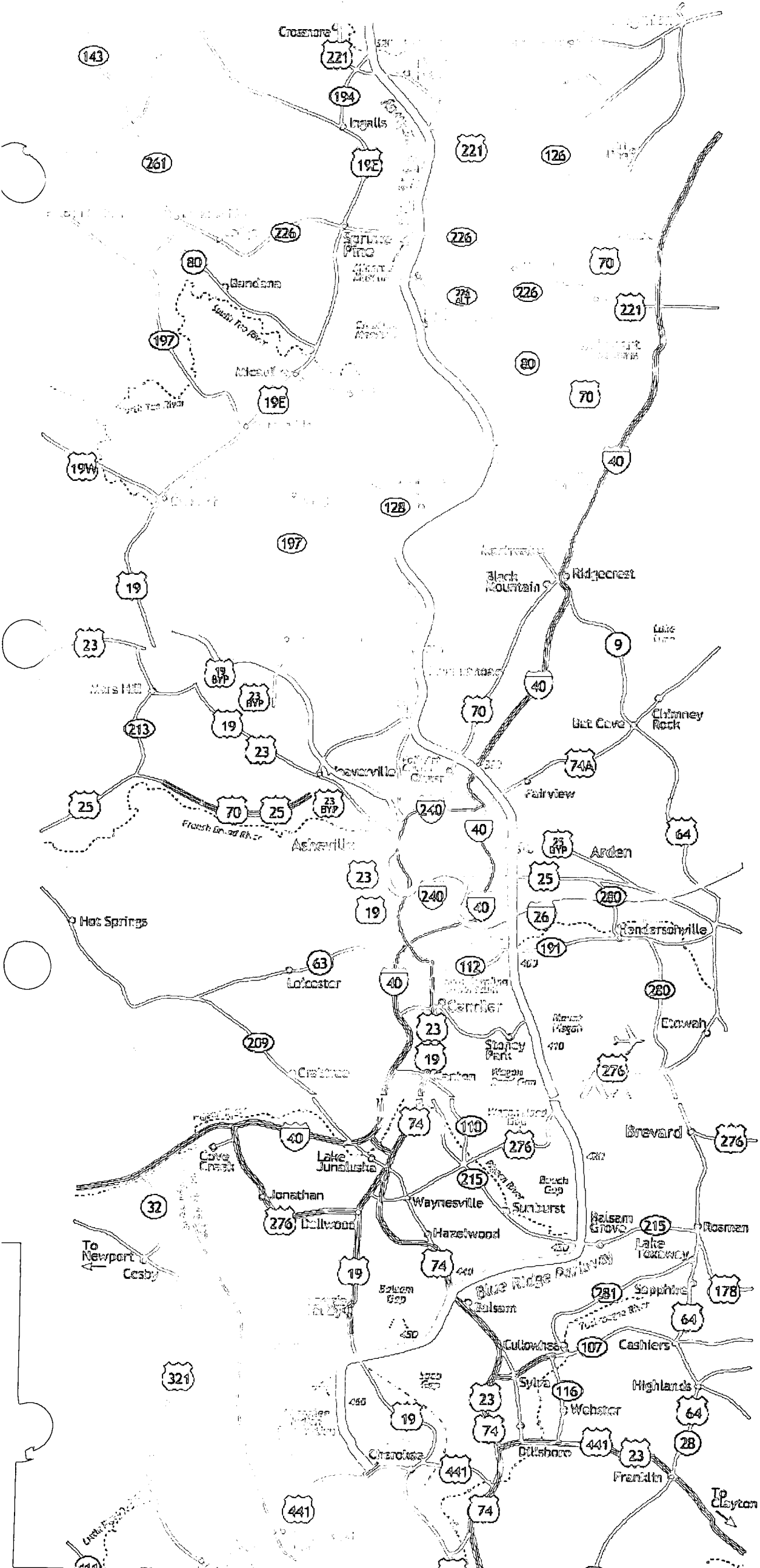
**SUMMARY:** *House Bill 152 amends the definition of "Tourism ABC Establishment" by extending the boundaries of the area that determines where such an establishment must be located if it is to qualify for an ABC permit. The bill adds the area from Milepost 460 to Milepost 469 of the (Blue Ridge) Parkway.*

**CURRENT LAW:** Under 18B-603(f), the ABC Commission may issue, without approval at an election, on-premises malt beverage permits and on-premises unfortified wine permits for a tourism ABC establishment. G.S. 18B-101 defines Tourism ABC Establishment as a restaurant or hotel that meets both of the following requirements:

- a. The restaurant or hotel is located on property, a property line of which is located within 1.5 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 460.
- b. The restaurant or hotel 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.

**BILL ANALYSIS:** House Bill 152 enlarges the area in which licenses may be granted to tourism ABC establishments, by extending one of the measuring boundaries from Milepost 460 to Milepost 469. (The Blue Ridge Parkway in Western North Carolina is 469 miles long.) The bill would be effective when it becomes law.





GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

1

## HOUSE BILL 446

Short Title: Joint ABC Store Operations-AB.

(Public)

Sponsors: Representatives Gibson; and Tucker.

Referred to: Alcoholic Beverage Control.

March 1, 2001

## A BILL TO BE ENTITLED

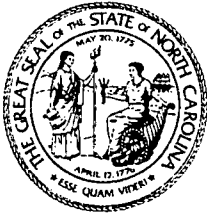
AN ACT TO AUTHORIZE LOCAL ABC BOARDS TO ENTER COOPERATIVE  
AGREEMENTS FOR MANAGEMENT OF ABC STORES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-703 is amended by adding a new subsection (h) to  
read:

"(h) Agreement for Joint Store Operations. – With the approval of the Commission, two or more governing bodies of counties and/or municipalities with ABC systems may enter into a written agreement whereby one or more ABC stores located within the counties and/or municipalities that are parties to the agreement shall be controlled and operated by the local ABC board specified in the agreement, even though said ABC store or stores are located outside the boundaries of the county or municipality of the local ABC board that will be operating the ABC store or stores that are subject to the agreement. The provisions of this section shall be effective as to such agreements insofar as is applicable. Issues not addressed in this section shall be negotiated by the parties, subject to the approval of the Commission."

SECTION 2. This act is effective when it becomes law.



# HOUSE BILL 446: Joint ABC Store Operations

## BILL ANALYSIS

**Committee:** House ABC  
**Date:** March 15, 2001  
**Version:** 1st

**Introduced by:** Representative Gibson  
**Summary by:** Brenda J. Carter  
Committee Counsel

**SUMMARY:** *House Bill 446 authorizes local ABC boards to enter cooperative agreements with one another for management of ABC stores.*

**CURRENT LAW:** G.S. 18B-703 sets out the law regarding merger of local ABC operations. It provides that a city governing body or board of county commissioners may merge its ABC system with the system of one or more other cities or counties if the systems of those jurisdictions serve the same general area or are in close proximity to each other. The law provides for the cities or counties involved to agree upon a formula for distribution of the profits of the merged ABC system, subject to approval by the ABC Commission. Cities or counties that merge their ABC systems may dissolve the merged operation at any time and resume their prior separate operations.

**BILL ANALYSIS:** House Bill 446 adds a new subsection to the existing law regarding merger of local ABC systems, to authorize local ABC boards to enter into management agreements with one another. These agreements would not result in a complete merger of the systems involved, but would permit ABC systems to enter into operating agreements that provide for one ABC system to operate one or more ABC stores owned by another ABC system. The agreements must be approved by the ABC Commission and are subject to the reasonably applicable provisions of the law governing the merger of ABC systems. This means that the agreements may be entered if the systems serve the same general area or are in close proximity to each other, that the systems will agree upon distribution of profits, and that the agreements may be dissolved at any time. The rational of the bill is to permit efficiencies of operation that could make ABC systems more profitable, resulting in additional funds going to the local governments in the areas where the stores are operating.

The bill would be effective when it becomes law.

**2001 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **GIBSON** (Chair/Chairs) for the Committee on **ALCOHOL  
BEVERAGE CONTROL**.

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☐ Committee Substitute for  
H.B. 446 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE LOCAL ABC BOARDS  
TO ENTER COOPERATIVE AGREEMENTS FOR MANAGEMENT OF ABC STORES.

- ☒ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report as to committee substitute bill (#      ), ☐ which changes the title,  
unfavorable as to (original bill) (Committee Substitute Bill #      ), (and recommendation  
that the committee substitute bill #      ) be re-referred to the Committee on      .)
- ☐ With a favorable report as to House committee substitute bill (#      ), ☐ which changes  
the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01



FOR JOURNAL USE ONLY

\_\_\_\_ Pursuant to Rule 36(b), the bill is placed on the Calendar of \_\_\_\_\_.

\_\_\_\_ The (committee substitute) bill/resolution (, as amended,) is (ordered engrossed and) re-referred to the Committee on \_\_\_\_\_.

\_\_\_\_ The bill/resolution is re-referred to the Committee on \_\_\_\_\_.

\_\_\_\_ On motion of (Rep. \_\_\_\_\_,) (the Chair,) the (committee substitute) bill/resolution is (ordered engrossed and) re-referred to the Committee on \_\_\_\_\_.

\_\_\_\_ Pursuant to Rule 36(b), the (House)committee substitute bill (No. \_\_\_\_)/resolution is placed on the Calendar of \_\_\_\_\_. (The original bill) (House Committee Substitute Bill No. \_\_\_\_)/resolution is placed on the Unfavorable Calendar.

\_\_\_\_ On motion of Rep. \_\_\_\_\_, (the rules are suspended) (Rule \_\_\_\_ is suspended) and the bill/resolution is placed on today's calendar. (for immediate consideration.)

\_\_\_\_ On motion of Rep. \_\_\_\_\_, Committee Amendment No.(s) \_\_\_\_\_ is/are adopted (by EV \_\_\_\_\_).

\_\_\_\_ On motion of Rep. \_\_\_\_\_, Committee Amendment No.(s) \_\_\_\_\_ is/are adopted (by EV \_\_\_\_\_).

\_\_\_\_ Rep. \_\_\_\_\_ offers Amendment No. \_\_\_\_\_ which (is adopted.) (fails of adoption.) (by EV \_\_\_\_\_.) ( - ) This amendment changes the title.

\_\_\_\_ The bill/resolution (, as amended,) passes its second reading (by following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and (remains on the Calendar,) (and there being no objection is read a third time).

\_\_\_\_ The bill/resolution (, as amended,) passes its third reading (by the following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and is ordered  
\_\_\_\_ sent to the Senate.  
\_\_\_\_ without engrossment. \_\_\_\_\_ by Special message.  
\_\_\_\_ sent to the Senate for concurrence in  
\_\_\_\_ House amendment (s).  
\_\_\_\_ House committee substitute.  
\_\_\_\_ enrolled.

\_\_\_\_ On motion of Rep. \_\_\_\_\_, the House concurs in the (material) Senate  
\_\_\_\_ (by the following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and  
the bill is ordered enrolled.

# VISITOR REGISTRATION SHEET

ALCOHOLIC BEVERAGE CONTROL

March 15, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>[Signature]</i>	NCRA
Doyle Alley	ABC Commission
<i>[Signature]</i> MARK H. CREECH	<i>[Signature]</i> C A. C.
Jord Carr	Jordan Price
John Jordan	Jordan Price
Rep. Marge Carpenter	NC House
Amy Yonowitz	AG's Office
MICHAEL HERRING	ABC Commission
Dean Plunkett	NC Beer & Wine.
<i>[Signature]</i>	NC FPC
Eddie Caldwell	HC & F, P.A.

## VISITOR REGISTRATION SHEET

ALCOHOLIC BEVERAGE CONTROL

Name of Committee

3/15/01

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Zeb Alley

Alley Associates

# **HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL**

## **Meeting Agenda**

**April 2, 2001**

**1. Call to Order – Representative Gibson, Presiding**

**2. Bills to be considered:**

**DISCUSSION OF 18B-106K STATUTE (SPORTS CLUBS)  
Representative Gibson**

**3. Adjourn**

**HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE  
CONTROL  
April 2, 2001**

**MINUTES**

The House Committee on Alcoholic Beverage Control met Monday, April 2, 2001, in Room 415 of the Legislative Office Building at 5:00 p.m. Representative Pryor Gibson, Chair, announced there was a quorum and called the meeting to order at 5:15 pm. A Visitor Registration list is attached and made part of these minutes. A Visitor Registration list is attached and made part of these minutes.

Representative Gibson addressed the issue of the State's "piecemeal" special provision legislation involving alcohol. The 1006K provision of Chapter 18 is probably going to be ruled tomorrow and may or may not be ruled unconstitutional, and most certainly, something is going to change. Representative Gibson asked the Committee members to participate in a candid, direct conversation on how to address this issue. Referring to the attached documents (Attachments 1A, B, C). He asked that the Committee consider bringing this bill out as a committee bill which would make it eligible for the next day's calendar. It is of importance because Superior Court Judge Manning will be hearing a summary judgment and may rule in the Verdict Ridge Law Suit. He pointed out that line 5 of this bill is a contingency provision. It allow those sports clubs by definition to be allowed statewide, and not by special provision. There is approximately 80-1006(k) (or sports clubs provisions) in the State.

Representative McMahan asked if the definition of sports clubs would remain the same.

Representative Gibson replied that it would. Additionally, he proposed to add that amendments on the House Floor would give those members, who feel discomfort with the bill, the option to "opt out" their counties. He said that, if there was need for another amendment, there would be a third amendment that will propose a severability or "grand fathering" for the existing permittees to continue to be in business.

Gerry Cohen, Committee Counsel, stated that the amendment allows the counties that opted out (that list that currently have permits), but it would allow anyone else who meets the current definition of sports clubs to get a permit anywhere in the State as long as they qualify. They would be no longer subject to the restrictions of those eight descriptions in their county. They would still have to meet the requirements of the statute that describes sports clubs.

Representative Dedmon asked if this bill would be a permanent fix. To this Representative Gibson replied that there was no prediction as to what the scenario would be with the decision, but by giving as many options as possible, the Committee should cover in many avenues to satisfy as many conditions of this issue. Additionally, there is a responsibility to the 1006(k) s that has millions of dollars in investments in the State, create an abundance of revenue, are the poster children for alcohol regulation, and have been performing to the letter of the law, to continue them to exist.

Discussion ensued about the feasibility of second and third amendment options.

Rep McMahan asked how many sport clubs would be permitted in "dry" counties? Representative Gibson replied that there are 15 counties that do not have special permits or are "dry"; 5 are completely "dry" or have no provision for premise. It should be noted that of the 80 permittees, 74 or 75 are large golf courses that have extensive development around them which do not have municipalities to accommodate a referendum—and "guestimated" 30 new permittees would be applicable to sports clubs. Representative Gibson also noted that even though this suit is focused on 1006(k) s (special permits), there are another group of special provision in 18(B) s; those permittees would also be subject to that rule if there were another lawsuit. He does not see an influx of new permittees because of this bill. The "driver" for this issue is not alcohol; it is the location of where could a nice golf course be built which helps tourism and the economy and "It would be nice to have a drink in the clubhouse and not have to carry an open bottle around."

Representative Baker requested that bill be voted out today and to give those who want to opt out the opportunity to do so by prepared amendment. Representative Gibson said that would be done.

Representative Joe Kiser said that it was his understanding that Judge Manning would not be hearing the case on April 3<sup>rd</sup>, and the decision would be delayed until April 23<sup>rd</sup>.

Representative Mike Decker said the voice of the people is not being heard as the ABC had decreed. You will have a law that has taken us into liquor by the drink. He suggested that the bill say, "should this case be reversed, then the present law will stand."

Representative Davis requested that Harnett County opt out on the first amendment.

Reverend Mark H. Creech, Christian Action League, said that it is an unjust law to meddle in local trade and the bill is going too quickly. There should be ample time for proper debate to follow the true spirit of democracy and asked the Committee to do the right thing.

Representative Gibson said that he concurred with Reverend Creech on restricting alcohol proliferation, but with the complexity of the bill, the committee process would be the best way to address this issue.

Mr. John L. Rustin, Director of Government Relations, urged the Committee to vote against the bill.

After further debate, Representative Rex Baker moved to give the bill a favorable report for introduction. Passed.

Meeting was adjourned at 6:00 p.m.

  
Representative Pryor Gibson, Chair

  
Shirlyn MacPherson, Committee Asst.

April 2, 2001 /A

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

D

HOUSE DRH3270-LB-145C (03/23)

Short Title: Sports Club ABC Permits.

(Public)

Sponsors: Committee on Alcoholic Beverage Control.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW REGARDING THE ISSUANCE OF ABC  
PERMITS TO RESIDENTIAL PRIVATE CLUBS AND SPORTS CLUBS.

The General Assembly of North Carolina enacts:

**SECTION 1.** In the event that a court of competent jurisdiction holds that G.S. 18B-1006(k), as rewritten by Chapter 466 of the 1995 Session Laws and amended by Session Law 1999-462, is unconstitutional or otherwise invalid, and that decision is not reversed, then G.S. 18B-1006(k) reads as rewritten:

"(k) Residential Private Club and Sports Club Permits. – The Commission may issue the permits listed in G.S. 18B-1001, without approval at an election, to a residential private club or a sports club, ~~club that is located in a county that meets the requirements set in any of the following subdivisions:~~

(1) ~~Has a population of less than 45,000 by the last federal census, has at least three but not more than four cities that have approved the sale of malt beverages or unfortified wine, has only one city that has approved the on-premises sale of malt beverages, and has at least two cities that approved the operation of ABC stores before July 10, 1992.~~

(2) ~~Borders a county that has called elections pursuant to G.S. 18B-600(f), and:~~

a. ~~Has not approved the issuance of permits, other than malt beverage permits, in unincorporated areas of the county, and has no more than three cities that approved the operation of ABC stores before July 10, 1992; or~~

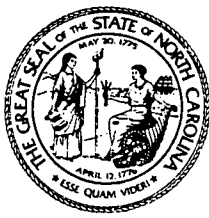
b. ~~Both the county and the two cities within the county have approved the operation of ABC stores.~~

- 1           (3)    ~~Is bordered by four counties that have not approved the issuance of~~  
2               ~~permits and have at least one city that has approved the operation of an~~  
3               ~~ABC store.~~
- 4           (4)    ~~Has not approved the issuance of permits, has at least three cities that~~  
5               ~~have approved the issuance of only either off premises malt beverage~~  
6               ~~or both off premises malt beverage and off premises unfortified wine~~  
7               ~~permits, and has only one city that, as of July 1, 1993, had approved~~  
8               ~~the operation of an ABC store.~~
- 9           (5)    ~~Has not approved the issuance of any permits, borders one of the two~~  
10               ~~largest counties in the State with more than 940 square miles, has an~~  
11               ~~interstate highway running through it, and has at least six cities that~~  
12               ~~have approved the sale of some malt beverages and unfortified wine~~  
13               ~~and four of which have approved ABC systems.~~
- 14           (6)    ~~Borders a county that has approved the issuance of all permits and the~~  
15               ~~operation of an ABC store, meets the county description of a special~~  
16               ~~ABC area in G.S. 18B-101(13a)b., and, as of July 1, 1995, had at least~~  
17               ~~five cities that had authorized the issuance of permits.~~
- 18           (7)    ~~Borders two states and, as of July 1, 1995, had only one city that had~~  
19               ~~approved the issuance of permits.~~
- 20           (8)    ~~Has an 18 hole golf course; is in the coastal area as defined in G.S.~~  
21               ~~113A-103, but only because it is adjacent to, adjoining, intersected by,~~  
22               ~~or bounded by a coastal sound; which does not allow countywide sales~~  
23               ~~of mixed beverages; which does not border another state; with a~~  
24               ~~population of less than 15,000 according to the most recent decennial~~  
25               ~~federal census; which does not have a city which has authorized the~~  
26               ~~sale of mixed beverages; and which has least two cities with ABC~~  
27               ~~systems.~~

28           The mixed beverages purchase-transportation permit authorized by G.S. 18B-404(b)  
29           shall be issued by a local board operating a store located in the county."

30           **SECTION 2.** This act is effective when it becomes law.





## BILL ANALYSIS

# ABC COMMITTEE DRAFT LEGISLATION: Sports Club ABC Permits

**Committee:** House ABC  
**Date:** March 29, 2001  
**Version:** DRH3270-LB-145C

**Introduced by:**  
**Summary by:** Brenda J. Carter  
Committee Counsel

**SUMMARY:** *This proposed legislation would amend the law regarding the issuance of ABC permits to Residential Private Clubs and Sports Clubs.*

**CURRENT LAW:** As defined in G.S. 18B-1000, a residential private club is a private club that is located in a privately owned, primarily residential and recreational development. A sports club is an establishment substantially engaged in the business of providing an 18-hole golf course, two or more tennis courts, or both. The sports club can either be open to the general public or to members and their guests. To qualify as a sports club, an establishment's gross receipts for club activities shall be greater than its gross receipts for alcoholic beverages. A sports club is not prohibited from operating a restaurant; receipts for food are included in with the club activity fee.

G.S. 18B-1006(k) authorizes the ABC Commission to issue permits, without approval at an election, to a residential private club or a sports in counties that meet certain requirements as set out in the statute.

**BILL ANALYSIS:** The proposed legislation would allow the ABC Commission to issue the permits on a statewide basis. It deletes the language in the current statute that describes with specificity the counties in which the permits may be issued. The change to the statute would come into effect only if a court of competent jurisdiction holds that the statute as it currently exists is unconstitutional.

**BACKGROUND:** In general, North Carolina operates under a local option system that provides that the voters of each county and town decide what alcoholic beverages legally may be sold. However, over the past decade or so the legislature has amended the general law to grant special permits in certain areas to allow establishments including sports clubs, private country clubs and resorts to serve liquor by the drink, without the necessity of voter referendums in those areas. Because of the State Constitution's prohibition against local acts affecting trade or commerce, many ABC bills achieved the desired effect by describing a special district with such specificity that a public bill often only applied to one location.

In the last couple of years, a number of lawsuits have challenged the constitutionality of ABC bills that enact what is commonly referred to as "special provisions". In one case, a group of Lumberton residents challenged a special ABC district created by the General Assembly to allow sales of mixed drinks at bars, restaurants and private clubs along a three-mile stretch of Interstate 95 in the city. Supporters of the special district said it was needed so Lumberton establishments could compete with Fayetteville for the business of I-95 travelers. Plaintiffs argued that the law unconstitutionally regulated trade and deprived citizens of their right to vote on liquor, and asked the court to cancel the law and force the ABC commission to revoke permits issued in the district. In a similar case, some Halifax County residents filed a lawsuit seeking to stop mixed-drink sales in restaurants and clubs along a stretch of Interstate 95 in Halifax County. In each of those cases, the presiding judge held that the applicable laws violated the prohibition in the state Constitution against local acts regulating trade and the districts were held invalid. The ruling essentially found that although the measures were enacted as statewide bills they were in fact local bills because of the limited application.

# **ABC COMMITTEE DRAFT LEGISLATION**

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Other lawsuits have been filed by golf and country clubs in "dry" areas who have applied for and been denied alcoholic beverage permits, claiming that the failure to be issued permits violated their federal and state constitutional rights to equal protection of the laws. These suits have claimed that the state violated the state constitutional prohibition on local legislation by allowing businesses in certain areas to obtain permits to sell alcohol in the absence of a local election permitting the sale of alcohol, while denying other businesses the same commercial opportunities from the sale of alcohol.

Some parties now believe that legislative action is needed to avoid the potential harm that would result from invalidation of the existing ABC permits. In the case of the residential private clubs and sports clubs that are already operating with ABC permits, there is substantial concern about the impact on the economic base of the local communities if current permits are invalidated – with regard to both the tax base and the broader effect on the tourism and recreation industry in those areas.

An unofficial list of establishments that will likely be affected by an adverse court ruling on the constitutionality of 18B-1006(k) is attached to this summary.

Again, the draft legislation provides that if the existing law is found unconstitutional, then the law authorizing issuance of the permits is amended to allow issuance of the permits to residential private club and sports club throughout the state.

April 2, 2001 IC

The following businesses qualified as Sports Clubs or Residential Private Clubs under G.S. 18B-1006(k) and will lose all or most of their ABC permits if that statute is declared unconstitutional. This list contains most of the businesses that will become disqualified if the statute is declared unconstitutional, but is not certified to be a complete list, and may contain a few omissions. Most businesses will lose all ABC permits, but a few of the listed businesses may be able to qualify as a restaurant, hotel or private club if the sports club statute is struck down, since some may be located in mixed beverage jurisdictions (such as Mecklenburg County, or a newly annexed area of a mixed beverage town). Note, however, that sports clubs are *not* required to be private and limit membership and guests (private clubs are), nor is there a food requirement for sports clubs such as for restaurants.

\* Clubs with an asterisk were omitted from list prepared in mid-March, 2001.  
This list is current as of March 29, 2001.

**ASHE COUNTY [18B-1006(k)(7)]**

Jefferson Landing Development Corp.  
T/A Jefferson Landing  
184 West Landing Drive  
Jefferson, NC 28640  
M/A PO Box 110  
Jefferson, NC 28640

River House, Inc.  
T/A River House  
1896 Old Field Creek Road  
Grassy Creek, NC 28631

**AVERY COUNTY [18B-1006(k)(3)]**

[No businesses holding permits as Sports Clubs]

**BUNCOMBE [18B-1006(k)(3)]**

Kenmure Enterprises, Inc.  
T/A Reems Creek Golf Club  
36 Pink Fox Cove Road  
Weaverville, NC 28787

**BURKE [18B-1006(k)(3)]**

Mimosa Hills Golf Club, Inc.  
T/A Mimosa Hills Golf Club  
611 Golf Course Road  
Morganton, NC 28680  
M/A PO Box 677  
Morganton, NC 28680

Note: Is in city limits of Morganton, but would have to reapply and qualify as a private club in order to maintain beer, wine and mixed beverages permits.

Loyal Order of Moose  
T/A Morganton Moose Lodge 193  
2722 Moose Lodge Street  
Morganton, NC 28680  
M/A PO Box 504  
Morganton, NC 28680

Silver Creek Plantation, LLC  
T/A Silver Creek Plantation Golf Course  
4241 Plantation Drive  
Morganton, NC 28655  
M/A 3991 Bridgewater Road  
Morganton, NC 28655

M C W Inv LLC  
T/A Quaker Meadows Golf Club Mallorys  
826 North Green Street  
Morganton, NC 28655  
M/A 1034 East Union Street  
Morganton, NC 28655

**CALDWELL [18B-1006(k)(3)]**

Cedar Rock Country Club, Inc.  
T/A Cedar Rock Country Club  
450 Cedar Rock Estates Drive  
Lenoir, NC 28645

Lenoir Golf Club, Inc.  
T/A Lenoir Golf Club  
701 Norwood Street SW

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

**Lenoir, NC 28645**

**Note: Is in city limits of Lenoir, which has approved mixed beverages. Thus, this business would have to surrender sports club permits and qualify under another provision such as private club or restaurant.**

**American Legion Inc**  
**T/A Granite Falls American Legion Post 209**  
**70 Lakeside Avenue**  
**Granite Falls, NC 28630**  
**PO Box B**  
**Granite Falls, NC 8630**

**CATAWBA [18B-1006(k)(3)]**

**Glen Oaks Golf Club, Inc.**  
**T/A Glen Oaks Golf Club**  
**245 Golf Course Road**  
**Maiden, NC 28650**

**Rock Barn Properties, Inc.**  
**T/A Rock Barn Club of Golf**  
**3791 Golf Drive**  
**Conover, NC 28613**  
**M/A PO Box 234**  
**Conover, NC 28613**

**Note: Is in the city limits of Conover, which has mixed beverages sales, but would have to reapply and qualify as a private club or restaurant.**

**CHATHAM [18B-1006(k)(3)]**

**\*Siler City Country Club, Inc.**  
**T/A Siler City Country Club**  
**Bennett Road**  
**Siler City, NC 27344**  
**M/A P O Box 474**  
**Siler City, NC 27344**  
**\*Note: AZ permit: Residential Private Club**

**CLEVELAND [18B-1006(k)(3)]**

**Kings Mountain Country Club, Inc.**  
**T/A Kings Mountain Country Club**  
**Country Club Road**

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Kings Mountain, NC 28086  
M/A PO Box 516  
Kings Mountain, NC 28086

Cleveland Country Club, Inc.  
T/A Cleveland Country Club  
1360 East Marion Street  
Shelby, NC 28150  
M/A PO Box 1756  
Shelby, NC 28151

Note: Is in city limits of Shelby, which has approved mixed beverages sales, but would have to reapply and qualify as a private club.

River Bend Acres, Inc.  
T/A River Bend Golf Club  
3005 Longwood Drive  
Shelby, NC 28152  
M/A PO Box 1939  
Shelby, NC 28151

**DAVIDSON [18B-1006(k)(3)]**

High Point Country Club Inc  
T/A Willow Creek Clubhouse  
914 Abbotts Creek Church Road  
High Point, NC 27262  
M/A PO Box 5046  
High Point, NC 27262

Salem Glen Golf Club LLC  
T/A Salem Glen Country Club  
1000 Glen Day Drive  
Clemmons, NC 27012  
M/A 1838 Eastchester Drive, Suite 102  
High Point, NC 27265

Sapona Country Club Inc  
T/A Sapona Country Club  
Beaver Creek Road  
Lexington, NC 27292  
M/A PO Box 862  
Lexington, NC 27293

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

**\*Triangle Billiards and Blues Club, Inc.**  
T/A Boat Dock Beach Club  
339 North Shore Drive  
Southmont, NC 27351  
M/A 140 Rabbit Run  
Lexington, NC 27292  
**\*Note: AZ permit: Residential Private Club**

**DUPLIN [18B-1006(k)(5)]**

River Landing Sports Club, Inc.  
T/A River Landing Country Club  
116 Paddle Wheel Drive  
Wallace, NC 28466

**HAYWOOD [18B-1006(k)(3)]**

Piedmont Golf Development Corp.  
T/A Laurel Ridge Country Club  
630 Eagles Nest Road  
Waynesville, NC 28786

Royal Oaks, Inc.  
T/A Springdale Country Club  
200 Golfwatch Road  
Canton, NC 28716

**HENDERSON [18B-1006(k)(3)]**

Champion Hills Club, Inc.  
T/A Champion Hills Club  
1 Hagen Drive  
Hendersonville, NC 28739

Cummings Cove Properties LLC  
T/A Cummings Cove Golf and Country Club  
3000 Cummings Road  
Hendersonville, NC 28739  
M/A 20 Cummings Cove Parkway  
Hendersonville, NC 28739

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Highlands Conference Center, Inc.  
T/A Highland Lake Inn & Conference Center  
Highland Lake Road  
Flat Rock, NC 28731  
M/A PO Box 1026  
Flat Rock, NC 28731

Innspired Management, Inc.  
T/A Woodfield Inn  
Hwy 25 South  
Flat Rock, NC 28731  
M/A PO Box 98  
Flat Rock, NC 28731

**IREDELL [18B-1006(k)(3)]**

N. C. National Golf Club  
T/A N. C. National Golf Club  
T/A Broken Arrow Golf Links (former trade name)  
1000 Broken Arrow Drive  
Statesville, NC 28677

Point Lake and Golf Club, Inc.  
T/A Point Lake and Golf Club  
120 Meeting House Square  
Mooresville, NC 28117

Lake Cruises Inc.  
Saragonis Italian Restaurant  
1459 River Hwy.  
Mooresville, NC 28115

**JACKSON [18B-1006(k)(3)]**

Cedar Creek Racquet Club, Inc.  
T/A Cedar Creek Racquet Club  
Hwy. 64 East  
Cashiers, NC 28717

Country Club of Sapphire Valley, Inc.  
T/A Country Club of Sapphire Valley  
110 Cherokee Trail  
Sapphire, NC 28717



**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Chattooga Development Corp.  
T/A Chattooga Club  
Hwy 107 South  
Cashiers, NC 28717

High Hampton, Inc.  
T/A High Hampton Inn & Country Club  
Hwy. 107 South  
Cashiers, NC 28717

Martines, Inc.  
T/A Martines  
Hwy 107 South  
Cashiers, NC 28717

Wade Hampton Golf Club, Inc.  
T/A Wade Hampton Golf Club  
Hwy. 107 South  
Cashiers, NC 28717

Sapphire Mountain Golf Club LLC  
T/A Sapphire Mountain Golf Club  
50 Slicers Avenue  
Sapphire, NC 28774

\*Helen O'Connell, Inc.  
T/A Helen O'Connell's Sapphire Valley Club (Micah's)  
401 Hwy 64 West  
Sapphire, NC 28774  
**\*Note: AZ permit: Residential Private Club**

\*Library, Inc.  
T/A The Library of Sapphire Valley  
184 Cherokee Trail  
Sapphire, NC 28774  
**\*Note: AZ permit: Residential Private Club**

\*McClure and Company, Inc.  
T/A J Edwards Restaurant and Sports Club  
4823 Little Savannah Road  
Cullowhee, NC  
**\*Note: Temporary Permit: #00098729MB**

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Highlands Cove Golf Club LLC  
T/A Nicks at the Cove  
688 Highlands Cove Drive  
Highlands, N.C. 28741

**LEE [18B-1006(k)(2)]**

Par Nine, Inc.  
T/A Quail Ridge Golf Course  
5634 Quail Ridge Drive  
Sanford, NC 27330

Tobacco Road Golf LLC  
T/A Tobacco Road Golf  
442 Tobacco Road  
Sanford, NC 27330

\*Carolina Trace Country Club, Inc.  
Carolina Trace Country Club  
Hwy 87 South  
Sanford, NC 27330  
M/A P O Box 2100  
Sanford, NC 27330  
**Note: AZ Permit: Residential Private Club**

**MECKLENBURG [18B-1006(k)(3)]**

**Note: These businesses are located in a mixed beverages jurisdiction but would have to reapply, qualify, and operate as a private club, hotel or restaurant.**

Ballantyne Resort LLC  
T/A Ballantyne Resort  
10000 Ballantyne Commons Parkway  
Charlotte, NC 28277

N. C. Golf Courses  
T/A Charlotte Golf Links  
11500 Providence Road  
Charlotte, NC 28277

N. C. Golf Courses  
T/A Highland Creek Golf Club  
7001 Highland Creek Parkway

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Charlotte, N.C. 28269

Northstone Club LLC  
T/A Northstone Club  
15801 Northstone Drive  
Huntersville, N. C.

Olde Sycamore Golf Plantation, Inc.  
T/A Olde Sycamore Golf Plantation  
7504 Olde Sycamore Drive  
Charlotte, N.C. 28227

N. C. Golf Courses  
T/A Tradition  
3800 Prosperity Church Road  
Charlotte, N.C.

**MONTGOMERY [18B-1006(k)(1, 3)]**

Elusive Domain LLC  
T/A Badin Lake Boat and Tennis Club  
286 Badin Shores Circle  
New London, NC 28127

Montgomery County Country Club, Inc.  
T/A Montgomery County Country Club  
1235 NC Hwy 134  
Troy, NC 27371

\* Lake Badin Associates General Partner  
T/A Old North State Club  
M/A 201 Old North State Club Lane  
New London, NC 28127  
**\*Note: AZ Permit: Residential Private Club**

**MOORE [18B-1006(k)(3)]**

A Z Golf Club of NC LLC  
T/A Hyland Hills Country Club  
4100 US 1 North  
Southern Pines, NC 28387

Note: Is in a mixed beverages jurisdiction, but would have to reapply, qualify and operate as a private club or restaurant.

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Golfsouth Clubs LLC  
T/A Foxfire Resort and Country Club  
9 Foxfire Blvd.  
Jackson Springs, NC 27281

Note: Is in a mixed beverages jurisdiction, but would have to reapply, qualify and operate as a private club or restaurant.

Pinehurst, Inc.  
#8 Pinehurst Resort and Country Club  
Centennial Blvd  
Pinehurst, NC 28374

Note: Is in a mixed beverages jurisdiction, but would have to reapply, qualify and operate as a private club or restaurant.

Whispering Lakes LLC  
T/A Whispering Woods Golf Club  
26 Sandpiper Drive  
Whispering Pines, N. C. 28327

Carolina Golf Development Co.  
T/A Carolina  
277 Avenue of the Carolinas  
Whispering Pines, N.C.

**PENDER [18B-1006(k)(3)]**

Castle Bay Corp.  
T/A Castle Bay Golf Course  
2516 Hoover Road  
Hampstead, NC 28443

**PERQUIMANS [18B-1006(k)(8)]**

Ralph G. Boshier, Elwood H. Perr  
T/A Albemarle Plantation  
101 Clubhouse Drive  
Hertford, NC 27944

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

**RANDOLPH [18B-1006(k)(2)]**

Asheboro Country Club, Inc.  
T/A Asheboro Country Club  
5105 Old Lexington Road  
Asheboro, NC 27203

\*Colonial Country Club, Inc.  
T/A Colonial Country Club  
7047 Colonial Club Drive  
Thomasville, NC 27360  
**Note: AZ Permit: Residential Private Club**

Klaussner Investment Corp.  
T/A Pinewood Country Club  
247 Pinewood Road  
Asheboro, NC 27203

Tot Hill Farm, LLC  
T/A Tot Hill Farm Golf Club  
3185 Tot Hill Farm Road  
Asheboro, NC 27203

**RICHMOND [18B-1006(k)(3)]**

Ellerbe Springs Inn, Inc.  
T/A Ellerbe Springs Inn  
2537 North Hwy 220  
Ellerbe, NC 28338

MFG Corp.  
T/A Harringtons at Brookestone Racquet Club  
164 Brookstone Drive  
Rockingham, NC 28379

Richmond Pines Country Club, Inc.  
T/A Richmond Pines Country Club  
Route 2, US 1 North  
Rockingham, NC 28379

**ROWAN [18B-1006(k)(3)]**

Daves Enterprises, Inc.  
T/A High Rock Boat and Ski Club  
2675 Providence Church Road

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Salisbury, NC 28146

Atlantic American Properties, Inc.  
T/A Kannapolis Country Club  
1196 Fairway Drive  
Kannapolis, NC 28082

**RUTHERFORD [18B-1006(k)(3)]**

D's Lounge, Inc.  
T/A D's Lounge  
900 Henry Jenkins Road  
Mooresboro, NC 28114

Loyal Order of Moose  
T/A Rutherford County Moose Lodge & Sports Club  
548 US Hwy 74 East  
Bostic, NC 28018

**STANLY [18B-1006(k)(3)]**

Piney Point Golf Club, Inc.  
T/A Piney Point Golf Club  
48688 Piney Point Road  
Norwood, NC 28128

Stanly County Country Club LLC  
T/A Stanly County Country Club  
Pine Circle Drive  
Badin, NC 28009

**UNION [18B-1006(k)(6)]**

Fairfield Investment Group, Inc.  
T/A Eagle Chase Golf Club  
3215 Brantley Road  
Marshville, NC 28103

Carolina Golf Developers LLC  
T/A Emerald Lake Golf Club  
1 Tournament Drive  
Matthews, NC 28105

**18B-1006(k) Sports Clubs and Residential Private Clubs**  
**3/29/01/a**

Divide LLC  
T/A Divide Golf Links  
Stevens Mill Road  
Mint Hill, NC 28249

Marvin Development Group II LLC  
T/A Firethorne Country Club  
1108 Firethorne Club Drive  
Waxhaw, NC 28173

Stonebridge Golf LLC  
T/A Stonebridge Golf  
2721 Swilcan Burn Drive  
Monroe, NC 28112

4-2-2001  
5:45 P.M.

To: Rep. Gibson

This is to notify you  
THAT I WANT HARVEY Co.  
Opt. Out - Alcohol by THE  
DRINK.

W. D. D. D.  
Rep. HARVEY Co.  
Dist # 19

Lincoln County

Joe Kiss  
Mark Helton



2001 HOUSE OF REPRESENTATIVES  
COMMITTEE REPORT - BILL INTRODUCTION

The following report(s) from standing committee(s) is/are presented:

Representative Gibson, for the Committee on ALCOHOL<sup>IC</sup> BEVERAGE CONTROL  
(Committee Chair's Name) (Committee Name)

submits the following bill with a favorable report for introduction.

**A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW REGARDING THE  
ISSUANCE OF ABC PERMITS TO RESIDENTIAL PRIVATE CLUBS AND SPORTS  
CLUBS.**

(FOR JOURNAL USE ONLY)

\_\_\_\_ Pursuant to Rule 31(a), the bill is filed, assigned the number H. B. \_\_\_\_ and placed on the Calendar for  
its \_\_\_\_ reading.

# VISITOR REGISTRATION SHEET

ALCOHOLIC BEVERAGE CONTROL

April 2, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

DAVID HUSKINS	SELF
John Runk	NCFPC
Sen Bob Carpenter	Senate
Rev. MARK H. CREECH	C. A. L.
Gary Robertson	AP
Meghan Risley	Intern
Kim Hubbard	NCLM
Mike Henning	NCABC Commission
Don Beeson	The Capital Group
Carol Lauler	EGHS
Barbara Maitin	NC Initiative to Reduce Underage Drinking

# **HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL**

## **Meeting Agenda**

**April 19, 2001**

**1. Call to Order – Representative Gibson, Presiding**

**2. Bills to be considered:**

**HB 948 – REDEFINE "SPECIAL ABC AREA"**  
Representative Haire

**HB 1005 – POSSESSING FRAUDULENT ID TO GET LIQUOR**  
Representative Gibson

**HB 1305 – ABC STORE SIGNS LIMITED**  
Representative Gibson

**3. Adjourn**

# HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL

## April 19, 2001

### MINUTES

The House Committee on Alcoholic Beverage Control met Thursday, March 15, 2001, in Room 415 of the Legislative Office Building at 11:00. Representative Pryor Gibson, Chair, presided. Other members attending were Vice-Chair Bob Hensley, Representatives Rex Baker, John Hall, William McMahan, and Amelia Morris. Ex-Officio Members Joe Hackney and Beverly Earle also attended. A Visitor Registration list is attached and made part of these minutes.

They're being a quorum; Chair Gibson called the meeting to order at 11:08 a.m.

Representative Gibson announced that HB 1005– Possessing Fraudulent ID to Get Liquor is going to be amended in Judiciary III with Representative Eddings' omnibus bill of possessing and manufacturing of false IDs. HB 1305 – ABC Store Signs Limited has been negotiated with the Senate and will be fixed in Rules (Attachments 1, 2).

HB 948 – Redefine "Special ABC Area"(Attachment 3, 3A) – Representative Haire explained that this bill was introduced before HB 1143 (Sports Clubs bill discussed on April 2, 2001) It protects three tourist resort clubs that are large, private residential communities. This bill protects these communities in the event that the "sports clubs bill" gets in trouble. These clubs with at least 500 acres and has fewer than 500 permanent residents would be protected. In order to qualify for this special ABC permit, there has to be an ABC store in the county as well as one city that sells beer and wine.

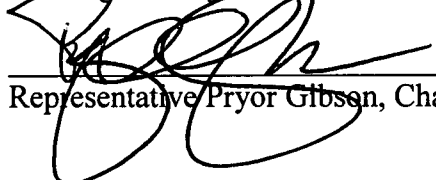
Representative Baker asked if this bill had implications to other areas. Representative Haire said that if the county were "dry" or protected by the law, it would not apply.

Ann Fulton, State Alcoholic Beverage Control counsel, stated that that it may affect any county that borders and any county that has at least one city where beer and wine is permitted countywide. In regard to a question on Statute F-2, she said that it imposes an additional requirement on the area to vote on whether to permit liquor or not.

Representative Marge Carpenter asked that Swain County not be included in the bill and requested an amendment to address this (Attachment 4).

Representative Baker moved to exempt Swain County and to change the title to include any other counties that would allow any counties to be exempted from the bill—in essence to adopt the proposed committee substitute and give the committee substitute a favorable report. He also removed his first motion from the floor. Passed.

Meeting was adjourned at 11:26 am

  
Representative Pryor Gibson, Chair

\_\_\_\_\_  
Shirlyn MacPherson, Committee Asst.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

1

HOUSE BILL 1005\*

Short Title: Possessing Fraudulent ID to Get Liquor. (Public)

Sponsors: Representatives Gibson; Barefoot, Goodwin, and Wainwright.

Referred to: Alcoholic Beverage Control.

April 9, 2001

A BILL TO BE ENTITLED

AN ACT TO MAKE IT ILLEGAL TO POSSESS FRAUDULENT IDENTIFICATION  
WHILE ATTEMPTING TO ENTER A PERMITTEE OR OBTAIN ALCOHOLIC  
BEVERAGES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 18B-302 is amended by adding a new subsection to read:

"(e1) Fraudulent Possession of Identification. – It shall be unlawful for any person to possess or to display fraudulent identification, as defined in subdivisions (e)(1) through (e)(4) of this section, while attempting to obtain alcoholic beverages or while attempting to obtain or obtaining permission to purchase alcoholic beverages from a permittee."

**SECTION 2.** This act becomes effective December 1, 2001, and applies to offenses committed on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

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## HOUSE BILL 1305

Short Title: ABC Store Signs Limited.

(Public)

Sponsors: Representatives Gibson; and Barefoot.

Referred to: Alcoholic Beverage Control.

April 12, 2001

- 1 A BILL TO BE ENTITLED  
2 AN ACT TO PRESCRIBE THE PLACEMENT OF SIGNS ADVERTISING THE  
3 LOCATION OF ABC STORES.  
4 The General Assembly of North Carolina enacts:  
5 SECTION 1. Article 8 of Chapter 18B of the General Statutes is amended  
6 by adding a new section to read:  
7 "§ 18B-808. Signs identifying ABC stores.  
8 Subject to prior approval of the Commission for the sign and its contents, a local  
9 board may place an identifying exterior sign on an ABC store. When the store is located  
10 in a shopping center or a mall, the local board may also place an ABC store listing on  
11 the shopping center directory, map and roadside tenant reader board. No ABC store  
12 location shall erect signs other than as authorized in this section."  
13 SECTION 2. This act is effective when it becomes law.  
14

## GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

## HOUSE BILL 948

Short Title: Redefine "Special ABC Area".

(Public)

Sponsors: Representative Haire.

Referred to: Alcoholic Beverage Control.

April 3, 2001

1 A BILL TO BE ENTITLED  
2 AN ACT TO REDEFINE "SPECIAL ABC AREA".

3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 18B-101(13a) reads as rewritten:

5 "§ 18B-101. Definitions.

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

7 ...

8 (13a) "Special ABC area" means an area that meets the following  
9 requirements:

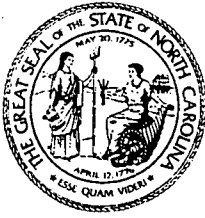
10 Either:

- 11 a. 1. Has fewer than 500 permanent residents;  
12 2. Is located in a county that borders another state, that  
13 has at least one city that has approved the operation  
14 of an ABC store, and in which the sale of unfortified  
15 wine and malt beverages is permitted countywide or  
16 in ~~at least two cities;~~ one city; and  
17 3. Contains more than 500 contiguous acres made up of  
18 privately-owned land and land owned by an  
19 association or a club that is exempt from income tax  
20 on its membership income under Article 4 of Chapter  
21 105 of the General Statutes, has more than 200  
22 members, was created for municipal and recreational  
23 purposes, and, for three or more years, has levied  
24 assessments or dues and provided municipal services;  
25 or  
26 b. 1. Has more than 500 permanent residents;  
27 2. Is located in a county:

- I. Where ABC stores have heretofore been established but in which the sale of mixed beverages has not been approved;
  - II. That borders on a county that has approved the sale of alcoholic beverages countywide and contains an international airport; and
  - III. Borders on a county where ABC stores have heretofore been established by petition pursuant to law; and
3. Contains more than 500 contiguous acres made up of privately-owned land and land owned by an association or a club that is exempt from income tax on its membership income under Article 4 of Chapter 105 of the General Statutes, has more than 200 members, was created for municipal and recreational purposes, and, for three or more years, has levied assessments or dues and provided municipal services."

**SECTION 2.** This act is effective when it becomes law.





# HOUSE BILL 948: Redefine "Special ABC Area"

## BILL ANALYSIS

**Committee:** House ABC  
**Date:** April 19, 2001  
**Version:** 1st Edition

**Introduced by:** Representative Haire  
**Summary by:** Brenda J. Carter  
Committee Counsel

**SUMMARY:** *House Bill 948 redefines "Special ABC Area, a term which is used to designate limited locations which are eligible for various permits to sell alcoholic beverages.*

**CURRENT LAW:** G.S. 18B-603(f2) authorizes the ABC Commission to issue the following permits to qualified persons and establishments located within a Special ABC area as defined in G.S. 18B-101: on-premises malt beverage, off-premises malt beverage, on-premises unfortified wine, off-premises unfortified wine, on-premises fortified wine, off-premises fortified wine, and mixed beverages. If the Special ABC Area is a municipal corporation, the area is required to conduct an election as provided by statute, regardless of the number of registered voters located within the municipal corporation. If the area is unincorporated but has within it a private association or club, the board of that private association or club is required to call and conduct a special meeting at which a majority of the private association members, club members, lot and home owners, votes and approves the sale of mixed beverages, and the board certifies the results of such meeting to the Alcoholic Beverage Control Commission.

**BILL ANALYSIS:** Under G.S. 18B-101(13a), one of the defining requirements for a Special ABC Area is that an area must be located in a county that borders another state, that has at least one city that has approved the operation of an ABC store, and in which the sale of unfortified wine and malt beverages is permitted county wide or in at least two cities. The bill amends the latter portion of that part of the definition to require that the area be one in which sale of unfortified wine and malt beverages be permitted county wide or in at least *one city* -- rather than two cities.

*(Under the Session Laws that enacted G.S. 18B-603(f2), provisions authorizing the issuance of permits in Special ABC Areas do not apply in Columbus, Caswell, Person, Granville, Vance, Warren, Halifax, Robeson, Cleveland, Rutherford, Macon, Polk, Davidson, and Davie Counties.)*

The bill would be effective when it becomes law.

# Swain County

**COUNTY COMMISSIONERS**
**JIM DOUTHIT**

Chairman

**CHARLES (DICK) ENSLEY**
**AUSTIN GREENE**
**DAVID MONTEITH**
**JEFF WALDROUP**

**CLERK TO THE BOARD  
COUNTY ADMINISTRATOR**
**LINDA CABLE**

PHONE: 828-488-9273

FAX: 828-488-2754

E-mail: swaincountygovt@hotmail.com

April 10, 2001

 Senator Dan Robinson  
 Senator Marge Carpenter  
 Representative Phil Haire


Dear Senators Robinson &amp; Carpenter and Representative Haire:

On behalf of the Board of Commissioners of Swain County I will express concern that another bill has been introduced that would effect Swain County as far as alcohol sales within the county, without a vote of the people of this county. The Board has apposed each bill of this nature and will continue to take this stand.

Please record Swain County Commissioners in opposition to HB948 introduced by Representative Haire, a bill entitled "Redefine Special ABC Area".

I would be glad to answer any questions regarding this stand on this issue. Thank you for your support of our opposition.

Sincerely,

  
 Jim Douthit  
 Chairman

**Betty Smith (Rep. Carpenter)**

---

**From:** Ken Levenbook (Bill Drafting)  
**Sent:** Tuesday, April 10, 2001 10:41 AM  
**Subject:** Rep. Marge Carpenter  
Does H948 Affect Swain County

By the information that is available to me, Swain County borders another state and has at least one city with off premises beer sales, Bryson City, so I would have to say that H948 does, if the other requirements are met, affect Swain County.

Ken Levenbook

## SWAIN COUNTY LIQUOR LAW SPIKED AGAIN

By Paul Stam - 3/12/01

On February 23, 2001 Superior Court Judge James L. Baker permanently stopped (enjoined) the North Carolina Alcohol Beverage Control Commission from issuing mixed drink permits for the Nantahala Gorge area. Following the judgments in the Lumberton litigation and the Halifax litigation the County Commissioners of Swain County won their suit against the North Carolina ABC Commission to stop permits from being issued for mixed drinks at the Nantahala Gorge Whitewater Training Center.

This was the second time a judge had declared this local law unconstitutional. On September 30, 1999 Judge Richard Boner also held that Swain County was likely to prevail in having the law declared unconstitutional. He temporarily enjoined the law. When the state appealed the Court of Appeals sent it back - wanting to act on a final judgment only.

A special word of thanks should go to the County Attorney, Kim Lay of Sylva, and to Jim Douthitt, Chairman of the County Commissioners of Swain County.

FILED

STATE OF NORTH CAROLINA  
COUNTY OF SWAIN2001 FEB 27 PM 2:14  
IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION

SWAIN COUNTY, C.S.C.

99-CVS 179

SWAIN COUNTY, a body politic,  
and JIM DOUTHIT

Plaintiffs,

v.

## ORDER AND SUMMARY JUDGMENT

NORTH CAROLINA ALCOHOLIC  
BEVERAGE CONTROL COMMISSION,  
Defendant.

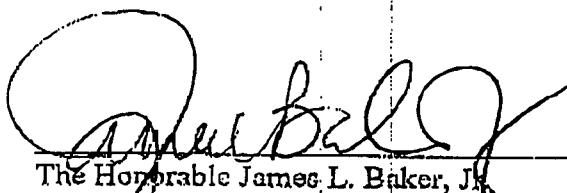
This cause coming on to be heard before the Honorable James L. Baker, Jr., Superior Court Judge residing at the February 7, 2001 of Swain County Civil Superior Court upon Plaintiffs' Motion for Summary Judgment and Defendant's Motions to Dismiss and Motion for Summary Judgment. Kimberly C. Lay, Esquire appeared for the Plaintiffs, Amy Yonowitz, Esquire appeared for the Defendant. The Court having heard the arguments of counsel and considered the matters of record including pleadings, affidavits and the Defendants' responses to discovery.

**IT IS NOW HEREBY ORDERED, ADJUDGED, DECLARED AND DECREED:**

1. Defendants' Motions to Dismiss pursuant to Rule 12b(1),(2) and (6) are hereby denied.
2. Summary Judgment is hereby granted for Plaintiffs pursuant to Rule 56 on the grounds that there is no genuine issue of material fact and Plaintiffs are entitled to judgment as a matter of law.
3. The Court hereby declares that the "Swain Act", to wit: session law 1999-462 entitled "AN ACT TO AUTHORIZE ALCOHOLIC BEVERAGE CONTROL COMMISSION TO ISSUE CERTAIN PERMITS" void and unenforceable in that it violates the North Carolina Constitution, Article II, Section 24 and Article XIV, Section 3. The portion of the law to which this Order and Judgment applies is Sub-subsection 4 of Section 10 which Section rewrites General Statute 18b-1006(j) which reads as follows: "(j) Recreation Districts.—notwithstanding the provisions of Article VI of this Chapter, the Commission may issue permits for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverage to qualified businesses in a recreation district. A "Recreation District" is an area that meets any of the following requirements... (4) an area of at least 150 acres that offers any of the following facilities or services: lodging, retail outlets, meeting facilities, restaurants, white water rafting training facility, or other outdoor recreation activities and is located in a county that meets all the following requirements: a) borders another state; b) contains part of the only national park located in North Carolina; c) has only one city that has a local ABC system that has authorized the off premises sale of malt beverages and the on premises sale of unfortified wine, fortified wine and mixed

4. The Defendant is hereby enjoined from implementing and enforcing the provisions of the Swain Act. The Defendant is hereby enjoined from granting, issuing or renewing permits under the Swain Act. Any permits heretofore granted which depend on the validity of aforesaid Swain Act shall be void.
5. Any permit holders who have received permits pursuant to the Swain Act shall submit the permits to the ABC Control Commission on or before the date to be set by the Commission.
6. The privilege of sales of malt beverages, unfortified wines, fortified wine and mixed beverages pursuant to the Swain Act is void. Permit holders are hereby enjoined from retail sale of malt beverages, unfortified wines, fortified wines, and mixed beverages on the premises and by virtue of permit issued pursuant to the Swain Act. The permit holders may dispose of any and all of these alcoholic beverages on hand on the date the Summary Judgment is entered in any manner approved by the ABC Control Commission, including disposal in accordance with the provisions of G.S. 18b-1002(a)(1).
7. The clerk shall tax the costs to the Defendant.
8. By consent of the parties stated in open court on February 7, 2001, this Order may be entered out of the county, out of term, and out of session.

Entered and signed this the 23d day of February, 2001 at Marshall, Madison County,  
North Carolina.

  
The Honorable James L. Baker, Jr.  
Superior Court Judge Presiding

**2001 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Gibson** (Chair/Chairs) for the Committee on **ALCOHOLIC  
BEVERAGE CONTROL**.

---

☐ Committee Substitute for  
H.B. 948 A BILL TO BE ENTITLED AN ACT TO REDEFINE "SPECIAL ABC AREA"..

- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on Appropriations ☐ Finance ☐ ☐.
- ☒ With a favorable report as to committee substitute bill (#           ), ☒ which changes the title,  
unfavorable as to (original bill) (~~Committee Substitute Bill #~~), (~~and recommendation~~  
~~that the committee substitute bill #~~) be re-referred to the Committee on .
- ☐ With a favorable report as to House committee substitute bill (#           ), ☐ which changes  
the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

## VISITOR REGISTRATION SHEET

Alcoholic Beverage Control  
Name of Committee

Name of Committee

4/19/01

Date \_\_\_\_\_

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME \_\_\_\_\_

FIRM OR AGENCY AND ADDRESS

Rep. Marg Carpenter

General Assembly  
DOT

Amy Gornowitz

DoJ

Mickey Fanner

Rep. Baeldovr

Rev. MARK CREECH

CAL

# Day Plan keth

NE Rec & Wine

Henry Hill

VCR

*John B. Berish*

Alley Associates

Blank

Fluency & Language

John Kuntz

NCFRC



# **HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL**

## **Meeting Agenda**

**April 24, 2001**

**1. Call to Order – Representative Gibson, Presiding**

**2. Bills to be considered:**

**HB 1173 – ABC PERMITS IN STATE ECONOMIC ZONES  
Representative Miller**

**HB 1361 – ABC COMPLEX DESIGNATION/FUNDS  
Representative Smith**

**3. Adjourn**

# **HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL**

**April 24, 2001**

## **MINUTES**

The House Committee on Alcoholic Beverage Control met Tuesday, April 24, 2001, in Room 415 of the Legislative Office Building at 3:30 p.m. Other members attending were Vice-Chair Bob Hensley, Representatives Rex Baker, John Hall, William McMahan, and Amelia Morris. Ex-Officio Members Andrew Dedmon, Beverly Earle, and William Cunningham also attended. A Visitor Registration list is attached and made part of these minutes.

Representative Pryor Gibson, Chair, called the meeting to order at 3:30 pm.

HB 1361 – ABC Complex Designation/Funds (Attachment 1) – Representative Smith said that this bill would require the ABC Commission & Warehouse Complex on Garner Road in Raleigh to be restored to its original name listed on the bill. The bill then should be sent to Appropriations. He stated that Marvin L. Speight, Jr. was Commissioner when the complex was built in the early 1980s and had raised the cost of the facility with no cost for the taxpayers. Representative Dedmon moved for a favorable report and re-refer to the Committee on Appropriations. Passed.

HB 1173 – ABC Permits in State Economic Zones (Attachment 2) – Representative Miller said that under current state law, there is a process to assist establishments that are in Urban Redevelopment Areas that sell more than 50% alcohol as part of their overall annual sales. These may include convenience stores or grocery stores, of which mainly alcohol is sold. These stores cause a negative economic impact to the local community. In order to "fix" this local problem and not restrict trade, it is necessary to make this part of Durham a State Economic Zones (as defined in North Carolina Statutes) shall not have alcoholic beverage sales to exceed of fifty percent (50%) of the business's total annual sales.

Major Steve Chalmers, Uniform Bureau Commander for the City of Durham Police Department, spoke supporting the bill. He said that these establishments serve as a detriment to the inter city zones and citizens' quality of life is impacted by these establishments in which the main commodity is alcohol resulting in litter, broken bottles, public drunkenness and misconduct. This bill has the across-the-board support from the citizens throughout the city.

In the discussion that followed, the following points were noted. In the 1970's, the Federal government designated State Economic Zones that were determined by census data as poverty areas. By making this area a State Economic Zone, the sale of alcohol beverages could be regulated. There was concern over the 40 other zones in the State that might be affected by this bill. Since local governments do not have the power to enact this type of legislation, it must be legislated in the General Assembly, but is an option of each local government. It was brought out the original State Economic Zone bill was enacted to get rid of this type of store in Raleigh. Representative Miller asked that the Committee help the quality of life for these citizens by passing the bill.

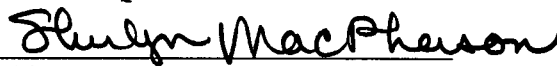
Andy Ellen, North Carolina Retail Merchants Association, spoke in opposition to the bill. He stated that Urban Redevelopment Zones became effective October 1, 1999, and allowed an audit one year afterwards. Durham is one of the 16 cities affected. Records must be kept for sales. There is a backlog now of the association's determination of where the zones are. The mechanism is there for cities to use now. There are approximately 25 streets in Durham where Urban Redevelopment Zones apply. Auditing begins January 1, 2001. Records will have to be maintained in those Zones regardless of City Council actions.

Representative Hensley moved for a favorable report. The bill failed 2 to 3.

Representative Baker moved for an unfavorable report. Representative Hensley moved to adjourn. The vote was 3 to 1. The motion to adjourn succeeded.

The meeting was adjourned at 4:25 p.m.

  
\_\_\_\_\_  
Representative Pryor Gibson, Chair

  
\_\_\_\_\_  
Shirlyn MacPherson, Committee Asst.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

1

HOUSE BILL H1361

Short Title: ABC Complex Designation/Funds.

(Public)

Sponsors: Representatives Smith, McLawhorn, Warren, Grady (Primary Sponsors),  
Edwards; Allen, Allred, Arnold, Baddour, Barefoot, Bell, Blue, Bonner,  
Buchanan, Church, Cole, Cox, J. Crawford, Creech, Culpepper, Dedmon,  
Fox, Goodwin, Gulley, Haire, Hall, Jarrell, Jeffus, Justus, McAllister,  
Michaux, Miller, Mitchell, Nesbitt, Nye, Oldham, Owens, Preston,  
Redwine, Rogers, Sutton, Tolson, Tucker, Underhill, Wainwright,  
Warner, Warwick, Wright, and Yongue.

Referred to: Alcoholic Beverage Control, if favorable Appropriations.

April 23, 2001

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO RESTORE THE SIGN DESIGNATING  
THE NORTH CAROLINA ABC COMMISSION COMPLEX TO ITS ORIGINAL  
DESIGNATION.

The General Assembly of North Carolina enacts:

**SECTION 1.** The sign designating the North Carolina ABC Commission  
Office & Warehouse Complex, which is located at 3322 Garner Road in Raleigh, shall  
be restored to its original designation of "The Marvin L. Speight, Jr. North Carolina  
ABC Commission Office & Warehouse Complex".

**SECTION 2.** There is appropriated from the General Fund to the North  
Carolina ABC Commission the sum of one thousand dollars (\$1,000) for the 2001-2002  
fiscal year to implement the provisions of this act.

**SECTION 3.** This act becomes effective July 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

1

HOUSE BILL 1173

Short Title: ABC Permits in State Economic Zones.

(Public)

Sponsors: Representatives Miller; Luebke and Weiss.

Referred to: Alcoholic Beverage Control.

April 12, 2001

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THAT FOOD OR RETAIL BUSINESSES THAT HOLD  
ABC PERMITS AND ARE LOCATED IN A STATE ECONOMIC ZONE SHALL  
NOT HAVE ALCOHOLIC BEVERAGE SALES IN EXCESS OF FIFTY  
PERCENT OF THE BUSINESS' TOTAL ANNUAL SALES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 18B-309 reads as rewritten:

**"§ 18B-309. Alcoholic beverage sales in Urban Redevelopment Areas.**

A food business as defined in G.S. 18B-1000(3), a retail business as defined in G.S. 18B-1000(7), or an eating establishment as defined in G.S. 18B-1000(2) that holds an ABC permit under this Chapter and is located in a part of a city that has been designated as an Urban Redevelopment Area under Article 22 of Chapter 160A of the General Statutes or a State Economic Zone as defined in G.S. 105-129.3A(a) shall not have alcoholic beverage sales in excess of fifty percent (50%) of the business's total annual sales. Upon request of a city, the Commission shall investigate the total annual alcohol sales and total sales of a business as defined in this section. The Commission shall report the results of such an investigation to the city council, and the report shall contain only the percentage of annual alcohol sales in proportion to the business's total annual sales. A city may request an investigation of a particular business by the Commission only once in each calendar year. These audits may be conducted by the Commission only upon the request of the city council. Businesses covered by this section shall maintain full and accurate monthly records of their finances, separately indicating each of the following:

- (1) Amounts expended by the business for the purchase of alcoholic beverages and the quantity of alcoholic beverages purchased;
- (2) Amounts collected from the sale of alcoholic beverages sold; and
- (3) Amounts collected from the sale of food, nonalcoholic beverages, and all other items sold by the business.

1 Records of purchases of alcoholic beverages and sales of alcoholic beverages shall  
2 be filed separate and apart from all other records maintained on the premises, and all  
3 records related to alcoholic beverages, including original invoices, shall be maintained  
4 on the premises for three years and shall be open for inspection and audit pursuant to  
5 G.S. 18B-502."

6 **SECTION 2.** G. S. 18B-904(e) reads as rewritten:

7 "(e) Business or Location No Longer Suitable. –

8 (1) The Commission may suspend or revoke a permit issued by it if, after  
9 compliance with the provisions of Chapter 150 of the General Statutes,  
10 it finds that the location occupied by the permittee is no longer a  
11 suitable place to hold ABC permits or that the operation of the  
12 business with an ABC permit at that location is detrimental to the  
13 neighborhood. No order revoking or suspending an ABC permit  
14 pursuant to this section may be made except upon substantial evidence  
15 admissible under G.S. 150B-29(a).

16 (2) The Commission ~~shall~~will suspend or revoke a permit issued by it if a  
17 permittee is in violation of G.S. 18B-309."

18 **SECTION 3.** This act becomes effective October 1, 2001.

**2001 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Gibson** (Chair/Chairs) for the Committee on **ALCOHOLIC  
BEVERAGE CONTROL**.

---

☐ Committee Substitute for

H.B. 1361 A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO  
RESTORE THE SIGN DESIGNATING THE NORTH CAROLINA ABC COMMISSION  
COMPLEX TO ITS ORIGINAL DESIGNATION.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on  
Appropriations ☒ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (# ), ☐ which changes the title,  
unfavorable as to (original bill) (Committee Substitute Bill # ), (and recommendation  
that the committee substitute bill # ) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes  
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

FOR JOURNAL USE ONLY

\_\_\_\_ Pursuant to Rule 36(b), the bill is placed on the Calendar of \_\_\_\_.

\_\_\_\_ The (committee substitute) bill/resolution (, as amended,) is (ordered engrossed and) re-referred to the Committee on \_\_\_\_.

\_\_\_\_ The bill/resolution is re-referred to the Committee on \_\_\_\_.

\_\_\_\_ On motion of (Rep. \_\_\_\_\_,) (the Chair,) the (committee substitute) bill/resolution is (ordered engrossed and) re-referred to the Committee on \_\_\_\_.

\_\_\_\_ Pursuant to Rule 36(b), the (House)committee substitute bill (No. \_\_\_\_)/resolution is placed on the Calendar of \_\_\_\_\_. (The original bill) (House Committee Substitute Bill No. \_\_\_\_)/resolution is placed on the Unfavorable Calendar.

\_\_\_\_ On motion of Rep. \_\_\_\_\_, (the rules are suspended) (Rule \_\_\_\_ is suspended) and the bill/resolution is placed on today's calendar. (for immediate consideration.)

\_\_\_\_ On motion of Rep. \_\_\_\_\_, Committee Amendment No.(s) \_\_\_\_\_ is/are adopted (by EV \_\_\_\_\_).

\_\_\_\_ On motion of Rep. \_\_\_\_\_, Committee Amendment No.(s) \_\_\_\_\_ is/are adopted (by EV \_\_\_\_\_).

\_\_\_\_ Rep. \_\_\_\_\_ offers Amendment No. \_\_\_\_\_ which (is adopted.) (fails of adoption.) (by EV \_\_\_\_\_.) ( ) This amendment changes the title.

\_\_\_\_ The bill/resolution (, as amended,) passes its second reading (by following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and (remains on the Calendar,) (and there being no objection is read a third time).

\_\_\_\_ The bill/resolution (, as amended,) passes its third reading (by the following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and is ordered  
\_\_\_\_ sent to the Senate.  
\_\_\_\_ without engrossment. \_\_\_\_\_ by Special message.  
\_\_\_\_ sent to the Senate for concurrence in  
\_\_\_\_ House amendment (s).  
\_\_\_\_ House committee substitute.  
\_\_\_\_ enrolled.

\_\_\_\_ On motion of Rep. \_\_\_\_\_, the House concurs in the (material) Senate  
\_\_\_\_ (by the following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and  
the bill is ordered enrolled.



# VISITOR REGISTRATION SHEET

ABC

Name of Committee

4-24-01

Date \_\_\_\_\_

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

**2001 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Gibson** (Chair/Chairs) for the Committee on **ALCOHOLIC  
BEVERAGE CONTROL**.

---

☐ Committee Substitute for

H.B. 1361 A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO  
RESTORE THE SIGN DESIGNATING THE NORTH CAROLINA ABC COMMISSION  
COMPLEX TO ITS ORIGINAL DESIGNATION.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on  
Appropriations ☒ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (# ), ☐ which changes the title,  
unfavorable as to (original bill) (Committee Substitute Bill # ), (and recommendation  
that the committee substitute bill # ) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes  
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

# **HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL**

## **Meeting Agenda**

**May 31, 2001**

**1. Call to Order – Representative Gibson, Presiding**

**2. Bills to be considered:**

**HB 549 – BEER AND WINE TAX DISTRIBUTION**

Representative Tucker

**SB 823 – PROMOTING NC GRAPE AND WINE INDUSTRY**

Senator Rand (Representative Fox will present the bill)

**3. Adjourn**

# HOUSE COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL

## May 31, 2001

### MINUTES

The House Committee on Alcoholic Beverage Control met Thursday, May 31, 2001, in Room 415 of the Legislative Office Building at 11:00. Representative Pryor Gibson, Chair, presided. Other members attending were Vice-Chair Bob Hensley, Representatives Rex Baker, Billy Creech, John Hall, and Amelia Morris. Chair Gibson called the meeting to order at 11:00 a.m. A Visitor Registration list is attached and made part of these minutes.

SB 823 – Promoting NC Grape and Wine Industry (Attachment 1) – Representative Baker moved to put the Proposed House Committee Substitute (PCS) (Attachment 2) before the Committee for discussion. Passed. Representative Fox presented the bill for Sponsor Senator Rand. He explained that the bill promotes North Carolina grape growing and the fledging winery industry by allowing wine tasting at food businesses, permits North Carolina wineries to bring unfortified wine owned by them in another state into NC for sale, and generally promote and expand the grape growing industry in the state as described in the Bill Analysis (Attachment 1A). Groups involved in the development of this bill are: Sheldon Vineyard, Biltmore Estate Winery, NC Beer & Wine Wholesalers Assn., Wine Institute of California, Harris Teeter, NC Grape Council, and numerous small wine shops.

Andy Romenet, Counsel, NC League of Municipalities, passed out an amendment for the bill (Attachment 3) which would permit alcohol to be served at municipalities, nonprofit or political organizations or at any ticketed event. Representative Baker moved that this amendment be incorporated into a new PCS. Passed.

Chair Gibson said Representative Harrington would discuss an Amendment that was for discussion and information only (Attachment 4). He said that a few years ago, the General Assembly passed a bill restricting wine in direct shipment to individuals in the State from outside the State, and only available to a select few on their mailing list. His amendment would allow limited direct shipments from small out-of-state wineries to individuals within the State. Representative Gibson said that he thought it was a good idea, but with the State's budgetary problems now, he was concerned about the cost and personnel to administer and regulate this amendment.

Representative Baker moved to give the amended PCS for SB 823 a favorable report, unfavorable to the original bill. Passed. (Attachment 5)

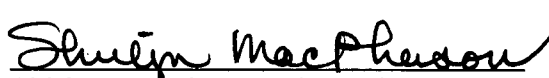
HB 549 – Beer and Wine Tax Distribution (Attachment 6 and 6A, B) Representative Tucker explained that HB 849 would allow counties and cities to share in the distribution of beer and wine tax proceeds even if sales of the alcoholic beverages were authorized only in residential private clubs, sports clubs, or certain interstate locations within the city or county. Those municipalities that have voted to be "dry" would then share in the tax distributions. Representative Hensley pointed out that the bill asks locations that are mature enough to vote for alcohol referendums, to turn around and return tax monies to those who won't vote for alcohol, but expect the tax money to be sent back to them and greatly lessens the chance to open some of these areas up. Following a discussion, Representative Gibson pointed out that the infrastructure support (police protection, justice and public safety; DARE programs, etc.) still must be provided through their local or county government even if their county was "dry". Counsel Brenda Carter also pointed out that this bill

was introduced and refers to a site that is no longer in the statute (HB 1143 – Sports Clubs ABC Permits). Counsels discussed several options to make it a local bill rather than a statewide bill. Representative Baker moved to authorize the staff make the applicable technical corrections to make this bill statewide and be rolled into a PCS and make that PCS a favorable report. Chair Gibson said that the Committee was not ready to take a vote on this bill and needed time to consider the bill. He suggested the committee meet around his desk on the Floor.

Representative Baker removed his earlier motion for the SB 823 PCS for a favorable report. He then moved for a favorable report for the PCS for SB 823, unfavorable to the original bill and is referred to Finance.

Meeting was adjourned at 11:35 am

  
Representative Pryor Gibson, Chair

  
Shirlyn MacPherson, Committee Asst.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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2

SENATE BILL 823  
Finance Committee Substitute Adopted 4/19/01

Short Title: Promoting NC Grape and Wine Industry.

(Public)

Sponsors:

Referred to:

April 3, 2001

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROMOTE THE NORTH CAROLINA GRAPE AND WINE  
3 INDUSTRY.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 18B-1001 reads as rewritten:

6 "§ 18B-1001. Kinds of ABC permits; places eligible.

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

9 ...  
10 (15) Wine-Tasting Permit. — A wine-tasting permit authorizes wine  
11 tastings on the premises. A wine tasting consists of the offering of a  
12 sample of one or more unfortified wine products, in amounts of no  
13 more than one ounce for each sample, without charge, to customers of  
14 the business. With the permission of the permit holder, the wine tasting  
15 may be conducted by representatives of the winery which produced the  
16 wine. The Commission shall adopt rules to assure that the tastings are  
17 limited to samplings and not a subterfuge for the unlawful sale or  
18 distribution of wine. Any business that holds an off-premises  
19 unfortified wine permit is eligible for a wine-tasting permit."

20 SECTION 2. G.S. 18B-1101 reads as rewritten:

21 "§ 18B-1101. Authorization of unfortified winery permit.

22 The holder of an unfortified winery permit may:

- 23 (1) Manufacture unfortified wine;  
24 (2) Sell, deliver and ship unfortified wine in closed containers to  
25 wholesalers licensed under this Chapter as authorized by the ABC  
26 laws, except that wine may be sold to exporters and nonresident  
27 wholesalers only when the purchase is not for resale in this State;  
28 (2a) Receive, in closed containers, unfortified wine produced outside North  
29 Carolina under the winery's label from grapes owned by the winery.

and sell, deliver, and ship that wine to wholesalers, exporters, and nonresident wholesalers in the same manner as its wine manufactured in North Carolina. This provision may be used only by a winery during its first three years of operation or when there is substantial damage to its grapes from catastrophic grape crop loss. This provision may be used only three years out of every 10 years and notice must be given to the Commission each time this provision is used.

- (3) Ship its wine in closed containers to individual purchasers inside and outside this State;
- (4) Furnish or sell "short-filled" packages, on which State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State;
- (5) Regardless of the results of any local wine election, sell the winery's wine owned by the winery at the winery for on- or off-premise consumption upon obtaining the appropriate permit under ~~G.S. 18B-1001~~ G.S. 18B-1001;
- (6) Sell the wine owned by the winery for on- or off-premise consumption at no more than three other locations in the State, upon obtaining the appropriate permit under G.S. 18B-1001; and
- (7) Obtain an unfortified wine wholesale permit to sell, deliver, and ship at wholesale unfortified wine manufactured at the winery. The authorization of this subdivision applies only to a winery that annually sells, to persons other than exporters and nonresident wholesalers when the purchase is not for resale in this State, no more than 300,000 gallons of unfortified wine manufactured by it at the winery.

A sale under subdivision (4) shall not be considered a retail or wholesale sale under the ABC laws."

**SECTION 3.** G.S. 18B-1114.1(a) reads as rewritten:

"(a) Authorization. – The holder of an unfortified winery, or limited winery permit may obtain a winery special event permit. ~~The holder of a winery special event permit may:~~

- (1) ~~Give Permit allowing the winery to give free tastings of its wine-wine, and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission.~~
- (2) ~~Sell its products in closed containers at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission."~~

**SECTION 4.** Chapter 18B of the General Statutes is amended by adding a new section to read:

1 **"§ 18B-1114.3. Authorization of wine grower permit.**

2 (a) Authorization. — The holder of a wine grower permit may:

3 (1) Ship grapes grown on land owned by it in North Carolina to a winery,  
4 inside or outside the State, for the manufacture and bottling of  
5 unfortified wine from those grapes, and may receive that wine back in  
6 closed containers.

7 (2) Sell, deliver, and ship the unfortified wine manufactured from its  
8 grapes in closed containers to wholesalers licensed under this Chapter  
9 as authorized by the ABC laws, and also sell to exporters and  
10 nonresident wholesalers when the purchase is not for resale in this  
11 State.

12 (3) Regardless of the results of any local wine election, sell the wine  
13 manufactured from its grapes for on- or off-premise consumption upon  
14 obtaining the appropriate permit under G.S. 18B-1001.

15 (b) Limitation on Sales. — The holder of a wine grower permit may not sell, in  
16 total, annually, more than 20,000 gallons of wine manufactured off its premises from  
17 grapes it has grown."

18 **SECTION 5.** G.S. 18B-303(a) reads as rewritten:

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

20 (1) Not more than 80 liters of malt beverages, other than draft malt  
21 beverages in kegs;

22 (2) Any amount of draft malt beverages in kegs;

23 (3) Not more than 2050 liters of unfortified wine;

24 (4) Not more than eight liters of either fortified wine or spirituous liquor,  
25 or eight liters of the two combined."

26 **SECTION 6.** G.S. 18B-902(d) is amended by adding a new subdivision to

27 read:

28 "(d) Fees. — An application for an ABC permit shall be accompanied by payment  
29 of the following application fee:

30 ...

31 (34) Wine grower permit — \$300.00."

32 **SECTION 7.** G.S. 18B-1000 is amended by adding a new subdivision to

33 read:

34 **"§ 18B-1000. Definitions concerning establishments.**

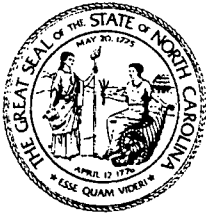
35 The following requirements and definitions shall apply to this Chapter:

36 ...

37 (10) Wine grower. — A farming establishment of at least 10 acres  
38 committed to the production of grapes for the manufacture of  
39 unfortified wine."

40 **SECTION 8.** This act is effective when it becomes law.





5/31/01 1A

## SENATE BILL 823: Promoting NC Grape and Wine Industry

### BILL ANALYSIS

**Committee:** House ABC  
**Date:** May 31, 2001  
**Version:** S823-CSSAf-25[v.1]

**Introduced by:** Sen. Rand  
**Summary by:** Susan L. Sitze  
Committee Counsel

**SUMMARY:** *The proposed committee substitute for Senate Bill 823 does the following:*

- *It permits wine tasting at food businesses.*
  - *It permits North Carolina wineries to bring unfortified wine owned by them in another state into North Carolina for sale.*
  - *It allows wineries to sell wine by the glass at special events for which the winery has a winery special event permit.*
  - *It permits North Carolina grape growers to have their grapes manufactured into wine by others and returned to them for re-sale.*
  - *It increases the amount of unfortified wine a person may purchase at one time without a permit.*
- The bill becomes effective when it becomes law.*

**BILL ANALYSIS:** The bill makes the following changes to the ABC laws of this State:

Wine-tasting at food businesses.

**Section 1** of the bill creates a wine-tasting permit. Any food business is eligible for this new permit. A food business is "an establishment engaged in the business of regularly and customarily selling food, primarily to be eaten off the premises." A wine-tasting permit authorizes wine tasting on the premises conducted and supervised by the permittee. Representatives of the winery, which produced the wine, may assist with the tastings. A wine tasting is defined as a sample of no more than one ounce of an unfortified wine product to customers of the permit holder without charge. **Section 6** provides that the cost of the wine tasting permit is \$100.00.

Under current law, wine tasting is only allowed at special events for which a winery special event permit has been issued. To consume wine on premises, a person must have either have an on-premises unfortified or fortified wine permit. These permits may only be issued to restaurants, hotels, eating establishments, private clubs, community theatres, convention centers, and wineries. This section would allow wine tasting at grocery stores and other retail establishments that sell wine.

Expand the activities allowed under an unfortified winery permit.

Under current law, it is illegal to ship wine produced outside this State into this State. **Section 2** of the bill would permit North Carolina wineries to bring unfortified wine produced by them outside the State into the State under limited conditions. It accomplishes this by expanding the authorization of the unfortified winery permit. An unfortified winery permit authorizes the permit holder to manufacture unfortified wine and to sell, deliver, and ship it in closed containers to wholesales in this State and to individual purchasers inside and outside the State. The cost of the winery permit is \$300. **Section 2** of the bill expands the authorization of this permit to allow the following:

# SENATE BILL 823

Page 2

- To receive wine produced outside the State under the winery's label from grapes owned by the winery and to sell that product in the same manner as its wine produced in this State. This provision could be used only three times during a 10-year period.
- To sell wine owned by the winery at the winery, regardless of whether the wine was manufactured at that winery.
- To sell its wine at locations other than the winery. The bill limits the number of off-site locations to three
- To sell its wine to retailers. This provision would be limited to a winery that annually sells less than 300,000 gallons of unfortified wine at its winery.

## The sale of wine by the glass at special events.

Under current law, only the holder of a winery special event permit may give free tasting of its wine. The free tasting must be given at special events, such as a trade show or a festival or a similar type of event approved by the Commission. The permit also allows the permit holder to sell its products in closed containers at these events. The cost of a winery special event permit is \$200. Only the holder of an unfortified winery or a limited winery permit may obtain a winery special event permit. **Section 3** of the bill expands the current winery special event permit to allow the winery to sell wine by the glass at these special events and to allow free tasting at the winery, as well as at those special events.

## Wine grower permit.

**Section 7** of the bill defines a wine grower as a farming establishment of at least 5 acres committed to the production of grapes for the manufacture of unfortified wine. **Section 6** establishes a wine grower permit fee of \$300. **Section 8** authorizes the Commission to issue a wine growers permit. **Section 4** of the bill authorizes the holder of a wine grower permit to ship grapes grown by it in NC to a winery inside or outside NC, to receive the wine back from the wineries in closed containers, and to sell, deliver, and ship its wine to wholesalers. This section would allow small NC grape growers to have their grapes manufactured and bottled by others but sold by them.

## Increase the amount of unfortified wine that may be purchased without a permit.

**Section 5** increases the amount of unfortified wine a person may purchase at one time without a permit from 20 liters to 50 liters. Under current law, a person must obtain a purchase-transportation permit to transport more than 20 liters of unfortified wine.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 823  
Finance Committee Substitute Adopted 4/19/01  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S823-CSSAf-25 [v.1]

5/30/2001 6:08:04 PM

Short Title: Promoting NC Grape and Wine Industry.

(Public)

Sponsors:

Referred to:

April 3, 2001

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROMOTE THE NORTH CAROLINA GRAPE AND WINE  
3 INDUSTRY.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 18B-1001 reads as rewritten:

6 "§ 18B-1001. Kinds of ABC permits; places eligible.

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

9 ...  
10 (15) Wine-Tasting Permit. — A wine-tasting permit authorizes wine  
11 tastings on the premises conducted and supervised by the permittee. A  
12 wine tasting consists of the offering of a sample of one or more  
13 unfortified wine products, in amounts of no more than one ounce for  
14 each sample, without charge, to customers of the business.  
15 Representatives of the winery, which produced the wine, may assist  
16 with the tastings in a manner consistent with existing law. The  
17 Commission shall adopt rules to assure that the tastings are limited to  
18 samplings and not a subterfuge for the unlawful sale or distribution of  
19 wine, and that the tastings are not used by industry members for  
20 unlawful inducements to retail permit holders, and do not violate  
21 existing rules. Any food business is eligible for a wine-tasting permit."

22 SECTION 2. G.S. 18B-1101 reads as rewritten:

23 "§ 18B-1101. Authorization of unfortified winery permit.

24 The holder of an unfortified winery permit may:

- 25 (1) Manufacture unfortified wine;  
26 (2) Sell, deliver and ship unfortified wine in closed containers to  
27 wholesalers licensed under this Chapter as authorized by the ABC

- 1 laws, except that wine may be sold to exporters and nonresident  
2 wholesalers only when the purchase is not for resale in this State;
- 3 (2a) Receive, in closed containers, unfortified wine produced outside North  
4 Carolina under the winery's label from grapes owned by the winery,  
5 and sell, deliver, and ship that wine to wholesalers, exporters, and  
6 nonresident wholesalers in the same manner as its wine manufactured  
7 in North Carolina. This provision may be used only by a winery during  
8 its first three years of operation or when there is substantial damage to  
9 its grapes from catastrophic grape crop loss. This provision may be  
10 used only three years out of every 10 years and notice must be given to  
11 the Commission each time this provision is used.
- 12 (3) Ship its wine in closed containers to individual purchasers inside and  
13 outside this State;
- 14 (4) Furnish or sell "short-filled" packages, on which State taxes have been  
15 or will be paid, to its employees for the use of the employees or their  
16 families and guests in this State;
- 17 (5) Regardless of the results of any local wine election, sell the winery's  
18 wine owned by the winery at the winery for on- or off-premise  
19 consumption upon obtaining the appropriate permit under G.S. 18B-  
20 1001-G.S. 18B-1001;
- 21 (6) Sell the wine owned by the winery for on- or off-premise consumption  
22 at no more than three other locations in the State, upon obtaining the  
23 appropriate permit under G.S. 18B-1001; and
- 24 (7) Obtain an unfortified wine wholesale permit to sell, deliver, and ship at  
25 wholesale unfortified wine manufactured at the winery. The  
26 authorization of this subdivision applies only to a winery that annually  
27 sells, to persons other than exporters and nonresident wholesalers  
28 when the purchase is not for resale in this State, no more than 300,000  
29 gallons of unfortified wine manufactured by it at the winery.

30 A sale under subdivision (4) shall not be considered a retail or wholesale sale under  
31 the ABC laws."

32 **SECTION 3. G.S. 18B-1114.1(a) reads as rewritten:**

33 "(a) Authorization. – The holder of an unfortified winery, or limited winery  
34 permit may obtain a winery special event permit. ~~The holder of a winery special event~~  
35 ~~permit may:~~

- 36 (1) ~~Give Permit allowing the winery to give free tastings of its wine-wine,~~  
37 ~~and to sell its wine by the glass or in closed containers, at trade shows,~~  
38 ~~conventions, shopping malls, wine festivals, street festivals, holiday~~  
39 ~~festivals, agricultural festivals, balloon races, local fund-raisers, and~~  
40 ~~other similar events approved by the Commission.~~
- 41 (2) ~~Sell its products in closed containers at trade shows, conventions,~~  
42 ~~shopping malls, wine festivals, street festivals, holiday festivals,~~

1                    agricultural festivals, balloon races, local fund raisers, and other  
2                    similar events approved by the Commission."

3                    **SECTION 4.** Chapter 18B of the General Statutes is amended by adding a  
4 new section to read:

5 **"§ 18B-1114.3. Authorization of wine grower permit.**

6                    (a) Authorization. — The holder of a wine grower permit may:

7                    (1) Ship grapes grown on land owned by it in North Carolina to a winery,  
8                    inside or outside the State, for the manufacture and bottling of  
9                    unfortified wine from those grapes, and may receive that wine back in  
10                    closed containers.

11                    (2) Sell, deliver, and ship the unfortified wine manufactured from its  
12                    grapes in closed containers to wholesalers licensed under this Chapter  
13                    as authorized by the ABC laws, and also sell to exporters and  
14                    nonresident wholesalers when the purchase is not for resale in this  
15                    State.

16                    (3) Regardless of the results of any local wine election, sell the wine  
17                    manufactured from its grapes for on- or off-premise consumption upon  
18                    obtaining the appropriate permit under G.S. 18B-1001.

19                    (b) Limitation on Sales. — The holder of a wine grower permit may not sell, in  
20 total, annually, more than 20,000 gallons of wine manufactured off its premises from  
21 grapes it has grown."

22                    **SECTION 5.** G.S. 18B-303(a) reads as rewritten:

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

24                    (1) Not more than 80 liters of malt beverages, other than draft malt  
25                    beverages in kegs;

26                    (2) Any amount of draft malt beverages in kegs;

27                    (3) Not more than 2050 liters of unfortified wine;

28                    (4) Not more than eight liters of either fortified wine or spirituous liquor,  
29                    or eight liters of the two combined."

30                    **SECTION 6.** G.S. 18B-902(d) is amended by adding a new subdivision to  
31 read:

32                    "(d) **Fees.** – An application for an ABC permit shall be accompanied by payment  
33 of the following application fee:

34                    ...

35                    (34) Wine grower permit – \$300.00.

36                    (35) Wine tasting permit -- \$100.00."

37                    **SECTION 7.** G.S. 18B-1000 is amended by adding a new subdivision to  
38 read:

39                    **"§ 18B-1000. Definitions concerning establishments.**

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

41                    ...

1  
2  
3  
4  
5  
6

read:

(10) Wine grower. – A farming establishment of at least 5 acres committed to the production of grapes for the manufacture of unfortified wine."

**SECTION 8.** G.S. 18B-1100 is amended by adding a new subsection to

"(19) Wine grower permit."

**SECTION 9.** This act is effective when it becomes law.



5/31/01 A.# 3

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 823

S823-ARV-21 [v.1]

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

Page 1 of 2

Date \_\_\_\_\_, 2001

Comm. Sub. [YES]  
Amends Title [NO]  
Second Edition

Representative

*Baker*

- 1 moves to amend the bill on page 4, line 5-6  
2 by adding between those lines the following:  
3 "SECTION 8A. G.S. 18B-1002(a)(5) reads as rewritten:  
4 '(5) A permit may be issued to a unit of local government, or to a  
5 nonprofit organization or a political organization to serve wine, malt  
6 beverages, and spirituous liquor at a ticketed event held to allow the  
7 unit of local government or organization to raise funds. For purposes  
8 of this subdivision "nonprofit organization" means an organization  
9 that is exempt from taxation under Section 501(c)(3), 501(c)(4),  
10 501(c)(6), 501(c)(8), 501(c)(10), 501(c)(19), or 501(d) of the Internal  
11 Revenue Code or is exempt under similar provisions of the General  
12 Statutes as a bona fide nonprofit charitable, civic, religious, fraternal,  
13 patriotic, or veterans' organization or as a nonprofit volunteer fire  
14 department, or as a nonprofit volunteer rescue squad or a bona fide  
15 homeowners' or property owners' association. For purposes of this  
16 subdivision "political organization" means an organization covered by  
17 the provisions of G.S. 163-96(a)(1) or (2) or a campaign organization  
18 established by or for a person who is a candidate who has filed a  
19 notice of candidacy, paid the filing fees or filed the required petition,



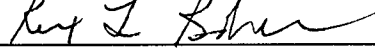
**NORTH CAROLINA GENERAL ASSEMBLY**  
**AMENDMENT**  
**Senate Bill 823**

S823-ARV-21 [v.1]

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

Page 2 of 2

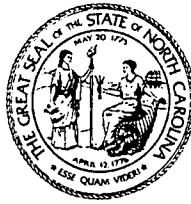
1                   and been certified as a candidate. The issuance of this permit will  
2                   also allow the issuance of a purchase-transportation permit under G.S.  
3                   18B-403 and 18B-404 and the use for culinary purposes of spirituous  
4                   liquor lawfully purchased for use in mixed beverages."  
5

SIGNED   
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_





AT. # 4

5/31/01

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 823

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

S823-ARV-16 [v.4]

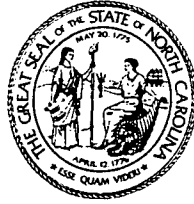
Page 1 of 3

Date \_\_\_\_\_ 2001

Comm. Sub. [YES]  
Amends Title [NO]  
Second Edition

Representative Harrington

- 1 moves to amend the bill on page 1, line 3,  
2 by rewriting that line to read:  
3 "INDUSTRY, AND TO AUTHORIZE LIMITED RECIPROCAL INTERSTATE  
4 SHIPMENT AND RECEIPT OF UNFORTIFIED WINE.";  
5  
6 and on page 3, line 40,  
7 by rewriting that line to read:  
8 "SECTION 8. G.S. 18B-102.1(a) reads as rewritten:  
9 '(a) ~~It~~ Except as provided in G.S. 18B-102.2, it is unlawful for any person who is  
10 an out-of-state retail or wholesale dealer in the business of selling alcoholic beverages  
11 to ship or cause to be shipped any alcoholic beverage directly to any North Carolina  
12 resident who does not hold a valid wholesaler's permit under Article 11 of this Chapter.'  
13 SECTION 9. Article 1 of Chapter 18B of the General Statutes is amended  
14 by adding a new section to read:  
15 '§ 18B-102.2. Reciprocal interstate shipment and receipt of unfortified wine  
16 authorized; labeling.  
17 (a) Notwithstanding G.S. 18B-102.1, an out-of state retail or wholesale dealer  
18 in the business of selling alcoholic beverages is authorized to make direct shipments of  
19 unfortified wine to consumers in this State under the provisions of this section.



**NORTH CAROLINA GENERAL ASSEMBLY**  
**AMENDMENT**  
**Senate Bill 823**

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

S823-ARV-16 [v.4]

Page 2 of 3

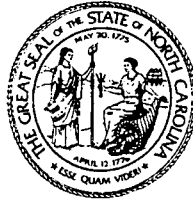
1 Unfortified wine may be shipped upon order directly to a consumer, provided the order  
2 is in written form and is accompanied by a purchase-transportation permit issued to the  
3 consumer pursuant to G.S. 18B-403. Before accepting an order from a consumer in this  
4 State, the shipper shall require that the person placing the order state affirmatively that  
5 he or she is at least 21 years of age.

6 (b) Any resident of this State who is at least 21 years of age is entitled to  
7 receive direct shipment of unfortified wine from another state if the wine is for personal  
8 or household use and if the state from which the wine is sent allows its residents to  
9 receive wine shipments from this State. No person may receive any shipment or  
10 combination of shipments in excess of ten cases of wine per month, nor may any  
11 person receive more than sixty cases of wine in any calendar year. No person who  
12 receives wine pursuant to this section shall resell any of the wine. Pursuant to G.S.  
13 105-164.16(d), a resident of this State is responsible for payment of taxes on wine  
14 purchased from mail order, Internet, or other sellers that do not collect State and local  
15 sales and use taxes on the items.

16 (c) No person who transports wine pursuant to this section shall deliver more  
17 than ten cases of wine to the same address at one time. The shipping container of any  
18 wine sent into this State under this section must be clearly labeled to indicate that the  
19 container contains alcoholic beverages and cannot be delivered to a person who is not  
20 at least 21 years of age or to a person who is visibly intoxicated.'

21 **SECTION 10.** G.S. 18B-403 is amended by adding a new subsection to  
22 read:

23 '(h) When a person indicates that the purpose of the purchase-transportation  
24 permit is to accompany an order for direct shipment of unfortified wine from an out-of-  
25 state retailer or wholesaler, the purchase-transportation permit issued to the person  
26 authorizes that person to purchase and authorizes the shipper to transport only the  
27 amounts of those alcoholic beverages authorized by G.S. 18B-102.2. The Commission  
28 may adopt rules to govern issuance of these direct shipment purchase-transportation  
29 permits.'



**NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 823**

S823-ARV-16 [v.4]

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

Page 3 of 3

1           **SECTION 11.** This act is effective when it becomes law."

SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

S

D

SENATE BILL 823  
Finance Committee Substitute Adopted 4/19/01  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S823-PCS3480-SAf-25

Short Title: Promoting NC Grape and Wine Industry.

(Public)

Sponsors:

Referred to:

April 3, 2001

A BILL TO BE ENTITLED  
AN ACT TO PROMOTE THE NORTH CAROLINA GRAPE AND WINE  
INDUSTRY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-1001 reads as rewritten:

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

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

...

(15) Wine-Tasting Permit. – A wine-tasting permit authorizes wine tastings on the premises conducted and supervised by the permittee. A wine tasting consists of the offering of a sample of one or more unfortified wine products, in amounts of no more than one ounce for each sample, without charge, to customers of the business. Representatives of the winery, which produced the wine, may assist with the tastings in a manner consistent with existing law. The Commission shall adopt rules to assure that the tastings are limited to samplings and not a subterfuge for the unlawful sale or distribution of wine, and that the tastings are not used by industry members for unlawful inducements to retail permit holders, and do not violate existing rules. Any food business is eligible for a wine-tasting permit."

SECTION 2. G.S. 18B-1101 reads as rewritten:

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

The holder of an unfortified winery permit may:

- (1) Manufacture unfortified wine;
- (2) Sell, deliver and ship unfortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC

- 1 laws, except that wine may be sold to exporters and nonresident  
2 wholesalers only when the purchase is not for resale in this State;
- 3 (2a) Receive, in closed containers, unfortified wine produced outside North  
4 Carolina under the winery's label from grapes owned by the winery,  
5 and sell, deliver, and ship that wine to wholesalers, exporters, and  
6 nonresident wholesalers in the same manner as its wine manufactured  
7 in North Carolina. This provision may be used only by a winery during  
8 its first three years of operation or when there is substantial damage to  
9 its grapes from catastrophic grape crop loss. This provision may be  
10 used only three years out of every 10 years and notice must be given to  
11 the Commission each time this provision is used;
- 12 (3) Ship its wine in closed containers to individual purchasers inside and  
13 outside this State;
- 14 (4) Furnish or sell "short-filled" packages, on which State taxes have been  
15 or will be paid, to its employees for the use of the employees or their  
16 families and guests in this State;
- 17 (5) Regardless of the results of any local wine election, sell the winery's  
18 wine owned by the winery at the winery for on- or off-premise  
19 consumption upon obtaining the appropriate permit under G.S. 18B-  
20 1001-G.S. 18B-1001;
- 21 (6) Sell the wine owned by the winery for on- or off-premise consumption  
22 at no more than three other locations in the State, upon obtaining the  
23 appropriate permit under G.S. 18B-1001; and
- 24 (7) Obtain an unfortified wine wholesale permit to sell, deliver, and ship at  
25 wholesale unfortified wine manufactured at the winery. The  
26 authorization of this subdivision applies only to a winery that annually  
27 sells, to persons other than exporters and nonresident wholesalers  
28 when the purchase is not for resale in this State, no more than 300,000  
29 gallons of unfortified wine manufactured by it at the winery.

30 A sale under subdivision (4) shall not be considered a retail or wholesale sale under  
31 the ABC laws."

32 **SECTION 3. G.S. 18B-1114.1(a) reads as rewritten:**

33 "(a) Authorization. – The holder of an unfortified winery, or limited winery  
34 permit may obtain a winery special event permit. ~~The holder of a winery special event~~  
35 ~~permit may:~~

- 36 (1) ~~Give permit allowing the winery to give free tastings of its wine wine,~~  
37 ~~and to sell its wine by the glass or in closed containers, at trade shows,~~  
38 ~~conventions, shopping malls, wine festivals, street festivals, holiday~~  
39 ~~festivals, agricultural festivals, balloon races, local fund-raisers, and~~  
40 ~~other similar events approved by the Commission.~~
- 41 (2) ~~Sell its products in closed containers at trade shows, conventions,~~  
42 ~~shopping malls, wine festivals, street festivals, holiday festivals,~~

agricultural festivals, balloon races, local fund raisers, and other similar events approved by the Commission."

SECTION 4. Chapter 18B of the General Statutes is amended by adding a new section to read:

**"§ 18B-1114.3. Authorization of wine grower permit.**

(a) Authorization. – The holder of a wine grower permit may:

(1) Ship grapes grown on land owned by it in North Carolina to a winery, inside or outside the State, for the manufacture and bottling of unfortified wine from those grapes and may receive that wine back in closed containers.

(2) Sell, deliver, and ship the unfortified wine manufactured from its grapes in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws and also sell to exporters and nonresident wholesalers when the purchase is not for resale in this State.

(3) Regardless of the results of any local wine election, sell the wine manufactured from its grapes for on- or off-premise consumption upon obtaining the appropriate permit under G.S. 18B-1001.

(b) Limitation on Sales. – The holder of a wine grower permit may not sell, in total, annually, more than 20,000 gallons of wine manufactured off its premises from grapes it has grown."

SECTION 5. G.S. 18B-303(a) reads as rewritten:

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

(1) Not more than 80 liters of malt beverages, other than draft malt beverages in kegs;

(2) Any amount of draft malt beverages in kegs;

(3) Not more than 2050 liters of unfortified wine;

(4) Not more than eight liters of either fortified wine or spirituous liquor, or eight liters of the two combined."

SECTION 6. G.S. 18B-902(d) is amended by adding a new subdivision to read:

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

...

(34) Wine grower permit – \$300.00.

(35) Wine tasting permit – \$100.00."

SECTION 7. G.S. 18B-1000 is amended by adding a new subdivision to read:

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

The following requirements and definitions shall apply to this Chapter:

...

(10) Wine grower. – A farming establishment of at least five acres committed to the production of grapes for the manufacture of unfortified wine."

SECTION 8. G.S. 18B-1100 is amended by adding a new subdivision to read:

"(19) Wine grower permit."

SECTION 9. G.S. 18B-1002(a)(5) reads as rewritten:

"(5) A permit may be issued to a unit of local government, or to a nonprofit organization or a political organization to serve wine, malt beverages, and spirituous liquor at a ticketed event held to allow the unit of local government or organization to raise funds. For purposes of this subdivision "nonprofit organization" means an organization that is exempt from taxation under Section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(8), 501(c)(10), 501(c)(19), or 501(d) of the Internal Revenue Code or is exempt under similar provisions of the General Statutes as a bona fide nonprofit charitable, civic, religious, fraternal, patriotic, or veterans' organization or as a nonprofit volunteer fire department, or as a nonprofit volunteer rescue squad or a bona fide homeowners' or property owners' association. For purposes of this subdivision "political organization" means an organization covered by the provisions of G.S. 163-96(a)(1) or (2) or a campaign organization established by or for a person who is a candidate who has filed a notice of candidacy, paid the filing fees or filed the required petition, and been certified as a candidate. The issuance of this permit will also allow the issuance of a purchase-transportation permit under G.S. 18B-403 and 18B-404 and the use for culinary purposes of spirituous liquor lawfully purchased for use in mixed beverages."

SECTION 10. This act is effective when it becomes law.

See exhibit 6  
5/31/01

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

H

1

HOUSE BILL 549

Short Title: Beer and Wine Tax Distribution.

(Public)

Sponsors: Representatives Tucker; Barbee, Culp, Haire, and Holliman.

Referred to: Alcoholic Beverage Control.

March 12, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW A COUNTY OR A COUNTY AND A CITY TO SHARE IN  
THE DISTRIBUTION OF BEER AND WINE TAX PROCEEDS IF SALES OF  
THE BEVERAGES ARE AUTHORIZED ONLY IN A RESIDENTIAL PRIVATE  
CLUB, SPORTS CLUB, OR CERTAIN INTERSTATE LOCATIONS WITHIN  
THE CITY OR COUNTY.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-113.82 reads as rewritten:

**"§ 105-113.82. Distribution of part of beer and wine taxes.**

(a) Amount, Method. – The Secretary shall distribute annually the following percentages of the net amount of excise taxes collected on the sale of malt beverages and wine during the preceding 12-month period ending March 31, less the amount of the net proceeds credited to the Department of Agriculture and Consumer Services under G.S. 105-113.81A, to the counties and cities in which the retail sale of these beverages is ~~authorized in the entire county or city~~ authorized:

- (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), twenty-three and three-fourths percent (23 3/4%);
- (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-two percent (62%); and
- (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-two percent (22%).

If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at retail in both a county and a city located in the county, both the county and city shall receive a portion of the amount distributed, that portion to be determined on the basis of population. If one of these beverages may be licensed to be sold at retail in a city located in a county in which the sale of the beverage is otherwise prohibited, only the city shall receive a portion of the amount distributed, that portion to be determined on



the basis of population. The amounts distributed under subdivisions (1), (2), and (3) shall be computed separately.

(b) Repealed by Session Laws 2000, c. 173, s. 3, effective August 2, 2000.

(c) ~~Exception.~~ Exceptions. – Notwithstanding subsection ~~(a)~~, (a) of this section, the following exceptions apply:

(1) In a county in which ABC stores have been established by petition, the revenue shall be distributed as though the entire county had approved the retail sale of a beverage whose retail sale is authorized in part of the county.

(2) If a residential private club or a sports club has an ABC permit to sell at retail malt beverages, unfortified wine, or fortified wine, then the county and any city in which the club is located are allowed to share in the distribution under subsection (a) of this section as if the sale of these beverages were authorized in the entire county and city. The terms 'residential private club' and 'sports club' have the meanings provided in G.S. 18B-1000.

(3) If an establishment has an ABC permit to sell at retail malt beverages, unfortified wine, or fortified wine pursuant to G.S. 18B-1006(m)(2), then the county and any city in which the establishment is located are allowed to share in the distribution under subsection (a) of this section as if the sale of these beverages were authorized in the entire county and city.

(d) Time. – The revenue shall be distributed to cities and counties within 60 days after March 31 of each year.

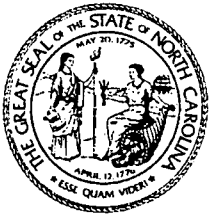
(e) Population Estimates. – To determine the population of a city or county for purposes of the distribution required by this section, the Secretary shall use the most recent annual estimate of population certified by the State Planning Officer.

(f) City Defined. – As used in this section, the term "city" means a city as defined in G.S. 153A-1(1) or an urban service district defined by the governing body of a consolidated city-county.

(g) Use of Funds. – Funds distributed to a county or city under this section may be used for any public purpose.

(h) Disqualification. – No municipality may receive any funds under this section if it was incorporated with an effective date of on or after January 1, 2000, and is disqualified from receiving funds under G.S. 136-41.2. No municipality may receive any funds under this section, incorporated with an effective date on or after January 1, 2000, unless a majority of the mileage of its streets are open to the public. The previous sentence becomes effective with respect to distribution of funds on or after July 1, 1999."

**SECTION 2.** This act becomes effective January 1, 2002.



# HOUSE BILL 549: Beer and Wine Tax Distribution

6A

## BILL ANALYSIS

**Committee:** House ABC  
**Date:** May 31, 2001  
**Version:** First Edition

**Introduced by:** Representative Tucker  
**Summary by:** Brenda J. Carter  
Committee Counsel

**SUMMARY:** *House Bill 549 would allow counties and cities to share in the distribution of beer and wine tax proceeds even if sales of the alcoholic beverages are authorized only in residential private clubs, sports clubs, or certain interstate locations within the city or county.*

**CURRENT LAW:** Under §105-113.80 (a) of the General Statutes, an excise tax of 53.177¢ per gallon is levied on the sale of malt beverages. §105-113.80 (b) provides that an excise tax of 21¢ per liter is levied on the sale of unfortified wine, and an excise tax of 24¢ per liter is levied on the sale of fortified wine.

Under G.S. 105-113.82, which provides for the distribution of the excise taxes collected on the sale of malt beverages and wine, the following amounts are distributed annually to the counties and cities in which the retail sale of those beverages is authorized in the *entire* county or city:

- 23 ¾% of the tax on malt beverages
- 62% of the tax on unfortified wine
- 22% of the tax on fortified wine

If malt beverages, unfortified wine, or fortified wine may be licensed for retail sale in both a county and a city located in the county, both the county and city receive a portion of the distribution amount; the portion is determined on the basis of population.

If one of the beverages may be licensed for retail sale in a city located in a county in which the sale of the beverage is otherwise prohibited, only the city receives a portion of the distribution amount; the portion is determined on the basis of population.

Under current law, in a county in which ABC stores have been established by petition, the revenue is distributed as though the entire county had approved the sale of the beverage whose retail sale is authorized in part of the county.

**BILL ANALYSIS:** House Bill 549 makes the distribution formula in G.S. 105-113.82 applicable to the counties and cities in which the retail sale of malt beverages, unfortified wine, and fortified wine is authorized in any part of the county or city (rather than those where the sales are authorized in the entire county or city).

The bill provides that where a residential private club or sports club has a permit for the retail sale of malt beverages, unfortified wine, or fortified wine, then the county and any city in which the club is located are allowed to share in the distribution of beer and wine taxes as if the sales were authorized in the entire county and city. The bill also provides that where hotels, restaurants, and sports clubs hold on-premises malt beverage, unfortified wine, or fortified wine permits or mixed beverage permits and certain food businesses hold off premises malt beverage and unfortified wine permits because of their location in Interstate Interchange Economic Development Zones, then the county and any city in which the establishment is located are allowed to share in the distribution of beer and wine taxes as if the sales were

# HOUSE BILL 549

Page 2

authorized in the entire county and city. *Note: This provision in the bill refers to establishments that have an ABC permit pursuant to G.S. 18B-1006(m)(2), and eligibility for permits under that statute are based on qualification for permits under G.S. 18B-1006(k)(5) – which was repealed in House Bill 1143. The committee should evaluate the need for an amendment to G.S. 18B-1006(m)(2) to delete those references to 18B-1006(k)(5).*

The act would become effective January 1, 2002.

*This bill affects revenue, and under Rule 38(b) should be referred to Finance if given a favorable report by this Committee.*

**NORTH CAROLINA DEPARTMENT OF REVENUE  
CORPORATE, EXCISE & INSURANCE TAX DIVISION  
RALEIGH, NORTH CAROLINA**

AMOUNT OF BEER (BEER, LAGER BEER, ALE, PORTER, ETC)  
UNFORTIFIED WINE AND FORTIFIED WINE EXCISE TAXES ALLOCATED TO COUNTIES  
AND MUNICIPALITIES AS REQUIRED BY GENERAL STATUTE  
105-113.82 FOR THE PERIOD APRIL 1, 1998  
TO MARCH 31, 1999

BEER  
UNFORTIFIED WINE  
FORTIFIED WINE  
TOTAL



19,442,205.28  
4,683,483.82  
305,944.60  
\$24,431,633.70

**DISTRIBUTION**

	BEER	UNFORTIFIED WINE	FORTIFIED WINE	TOTAL
**Amount distributed to counties & municipalities	19,439,445.01	4,679,121.83	305,776.50	24,424,343.34
Amount retained by State as required by law, which represents defined areas.	2,760.27	4,361.99	168.10	7,290.36
Total	\$19,442,205.28	\$4,683,483.82	\$305,944.60	\$24,431,633.70

\*\* A list showing the amount distributed to each county and municipality is attached.  
Municipalities located in more than one county are listed accordingly under each such county.

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Alamance		155,766.33	37,278.16		193,044.49
	Alamance	991.50	237.29		1,228.79
	Burlington	145,229.54	34,756.48	2,553.98	182,540.00
	Elon College	18,687.25	4,472.25		23,159.50
**	Gibsonville	7,162.33	1,714.10	125.96	9,002.39
	Graham	39,407.92	9,431.14	693.02	49,532.08
	Green Level	6,026.30	1,442.22		7,468.52
	Haw River	7,521.96	1,800.16		9,322.12
*	Mebane	19,376.26	4,637.15	306.16	24,319.57
	Sweepsonville	2,547.65	609.71		3,157.36
Alexander					
	Taylorsville	7,750.50	1,854.86	136.30	9,741.66
Alleghany					
	Sparta	26,047.88	6,233.81	114.19	32,281.69
		6,493.48	1,554.03		8,161.70
Anson					
	Ansonville	2,046.86			2,046.86
	Lilesville				
	McFarlan	1,868.73			1,868.73
	Morven				
	Peachland				
	Polkton	2,181.30	522.03		2,703.33
	Wadesboro	12,156.80	2,909.38	213.79	15,279.97
Ashe					
	Jefferson				
	Lansing				
	West Jefferson	3,724.01	891.23		4,615.24
Avery					
	Banner Elk	2,826.62	676.47	49.71	3,552.80
**	Beech Mountain	33.61	8.04	0.59	42.24
	Crossnore				
	Elk Park	1,656.98			1,656.98
	Grandfather Village	121.00	28.96	2.13	152.09
	Newland				
**	Seven Devils	80.66	19.30	1.42	101.38

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Beaufort	Sugar Mountain	477.26	114.22	8.39	599.87
	Aurora	97,277.91	23,280.65	1,710.71	122,269.27
	Bath	2,184.66	522.84	38.42	2,745.92
	Belhaven	615.07	147.20	10.82	773.09
	Chocowinity	7,528.68	1,801.77	132.40	9,462.85
	Pantego	2,404.81	639.47	46.99	3,091.27
	Washington	568.01	135.94	9.99	713.94
	Washington Park	33,418.59	7,997.77	587.69	42,004.05
		1,603.21	383.68	28.19	2,015.08
Bertie	Askeville	49,611.97	11,873.19	872.47	62,357.63
	Aulander	685.65	164.09	12.06	861.80
	Colerain	4,056.75	970.86	71.34	5,098.95
	Kelford	762.95	182.59	13.42	958.96
	Lewiston Woodville	652.04	156.05	11.47	819.56
	Powellsville	2,793.01	668.42	49.12	3,510.55
	Roxobel	904.11	216.37	15.90	1,136.38
	WindSOR	813.37	194.66	14.30	1,022.33
		7,774.03	1,860.49	136.71	9,771.23
Bladen	Bladenboro				
	Clarkton				
	Dublin				
	East Arcadia	1,643.54	393.33		2,036.87
	Elizabethtown	12,990.33	3,108.86	228.45	16,327.64
	Tar Heel				
	White Lake		300.03	22.05	322.08
Brunswick	Bald Head Island	142,214.71	34,034.97	2,500.96	178,750.64
	Belville	440.29	105.37	7.74	553.40
	Boiling Spring Lakes	356.27	85.26	6.27	447.80
	Bolivia	7,411.04	1,773.62	130.33	9,314.99
	Calabash	914.20	218.79	16.08	1,149.07
	Carolina Shores	4,373.58	1,046.69	76.92	5,497.19
	Caswell Beach	2,479.53	593.40	43.60	3,116.53
	Holden Beach	961.25	230.05	16.90	1,208.20
		2,856.86	683.71	50.24	3,590.81

1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Buncombe	Leland	7,437.93	1,780.05	130.80	9,348.78
	Long Beach	17,742.81	4,246.23	312.02	22,301.06
	Navassa	1,781.34	426.31	31.33	2,238.98
	Northwest	2,624.95	628.21	46.16	3,299.32
	Ocean Isle Beach	2,416.57	578.34	42.50	3,037.41
	Sandy Creek	1,001.58	239.70	17.61	1,258.89
	Shallotte	4,171.02	998.21	73.35	5,242.58
	Southport	8,708.39	2,084.10	153.14	10,945.63
	Sunset Beach	6,506.93	1,557.24	114.43	8,178.60
	Varnamtown	1,660.34	397.35	29.20	2,086.89
	Yaupon Beach	3,078.69	736.80	54.14	3,869.63
	Asheville	362,398.28	86,729.53		449,127.81
	Biltmore Forest	228,996.16	54,803.60	4,027.08	287,826.84
	Black Mountain	4,527.29	1,083.48		5,610.77
	Montreat	24,901.77	5,959.52	437.92	31,299.21
	Weaverville	2,124.16	508.36		2,632.52
	Woodfin	8,160.55	1,952.99		10,113.54
		11,256.05	2,693.81		13,949.86
Burke	Connelly Springs				
	Drexel				
	Glen Alpine				
	** Hickory				
	Hildebran				
	** Long View				
	Morganton				
	** Rhodhiss				
	Rutherford College				
	Valdese	54,650.13	13,078.93	961.07	68,690.13
Cabarrus	Concord	152,418.75	36,477.01	2,680.41	191,576.17
	Harrisburg				
	* Kannapolis				
	** Locust	4,050.03	969.26	71.22	5,090.51
	Mount Pleasant				

# 1999 BEVERAGE X DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Caldwell	** Blowing Rock	144.52	34.59	2.54	181.65
	Cajah Mountain				
	Cedar Rock	1,129.30	270.27	19.86	1,419.43
	Gamewell				
	Granite Falls		2,947.99	216.62	3,164.61
	** Hickory				
	Hudson				
	Lenoir	53,376.31	12,774.07	938.66	67,089.04
	* Rhodhiss				
	Sawmills				
Camden	** Elizabeth City	21,087.02	5,046.57	370.83	26,504.42
		114.27	27.35	2.01	143.63
Carteret		115,333.29	27,601.68	2,028.23	144,963.20
	Atlantic Beach	7,743.78	1,853.25	136.18	9,733.21
	Beaufort	13,575.15	3,248.82	238.73	17,062.70
	Bogue	1,620.01	387.70	28.49	2,036.20
	Cape Carteret	4,167.66	997.41	73.29	5,238.36
	Cedar Point	2,349.35	562.25	41.32	2,952.92
	Emerald Isle	10,711.56	2,563.50	188.37	13,463.43
	Indian Beach	631.87	151.22	11.11	794.20
	Morehead City	25,637.84	6,135.67	450.86	32,224.37
	Newport	10,136.83	2,425.96	178.26	12,741.05
	Peletier	1,142.75	273.48	20.10	1,436.33
	Pine Knoll Shores	5,441.49	1,302.26	95.69	6,839.44
		63,664.38	15,236.23	1,119.59	80,020.20
Caswell	Milton	786.48	188.22	13.83	988.53
	Yanceyville	9,689.81	2,318.98	170.40	12,179.19
Catawba		226,549.34	54,218.02	3,984.05	284,751.41
	Brookford	1,515.82	362.77	26.66	1,905.25
	Catawba	2,177.94	521.23	38.30	2,737.47
	Claremont	3,482.01	833.32	61.23	4,376.56
	Conover	23,577.53	5,642.60	414.63	29,634.76
	* Hickory	114,802.25	27,474.59	2,018.89	144,295.73
	* Long View	12,466.01	2,983.38	219.22	15,668.61



# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
	* Malden	10,217.49	2,445.26	179.68	12,842.43
	Newton	40,597.72	9,715.89	713.94	51,027.55
Chatham					
	** Cary	124,787.83	29,864.35	2,194.49	156,846.67
	Goldston	10.08	2.41	0.18	12.67
	Pittsboro	1,236.85	296.01	21.75	1,554.61
	Siler City	6,964.03	1,666.64	122.47	8,753.14
		18,683.89	4,471.45	328.57	23,483.91
Cherokee					
	Andrews	6,039.75	1,445.44	106.21	7,591.40
	Murphy		1,277.33	93.86	1,371.19
Chowan					
	Edenton	29,795.41	7,130.67	523.98	37,450.06
		17,994.88	4,306.55	316.45	22,617.88
Clay					
	Hayesville				
Cleveland					
	Belwood				
	Boiling Springs				
	Casar				
	Earl				
	Fallston				
	Grover				
	* Kings Mountain	31,193.60	7,465.28	548.56	39,207.44
	Kingstown				
	Lattimore				
	Lawndale				
	Mooreboro				
	Patterson Springs				
	Polkville				
	Shelby				
	Waco	67,062.37	16,049.44	1,179.35	84,291.16
Columbus					
	Boardman				
	Bolton	1,798.14	430.33	31.62	2,260.09

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Craven	Brunswick	1,028.47	246.13	18.09	1,292.69
	Cerro Gordo				
	Chadbourne	6,886.72	1,648.14	121.11	8,655.97
	Fair Bluff	3,546.41	874.34	64.25	4,485.00
	Lake Waccamaw	3,276.99	784.25	57.63	4,118.87
	Sandyfield				
	Tabor City	8,089.97	1,936.10	142.27	10,168.34
	Whiteville	18,794.81	4,497.99	330.52	23,623.32
Cumberland	Bridgeton	114,772.00	27,467.35	2,018.36	144,257.71
	Cove City	1,774.62	424.70	31.21	2,230.53
	Dover	1,959.47	468.94	34.46	2,462.87
	Havelock	1,532.62	366.79	26.95	1,926.36
	New Bern	76,137.11	18,221.21	1,338.93	95,697.25
	River Bend	74,049.92	17,721.70	1,302.23	93,073.85
	Trent Woods	9,249.52	2,213.60	162.66	11,625.78
		14,425.48	3,452.32	253.68	18,131.48
	Vanceboro	3,465.21	829.30	60.94	4,355.45
Currituck	Falcon	509,136.92	121,847.17	8,953.58	639,937.67
	Fayetteville	1,240.22	296.81	21.81	1,558.84
	Godwin	413,153.00	98,876.20	7,265.62	519,294.82
	Hope Mills	245.35	58.72	4.31	308.38
	Linden	35,394.87	8,470.74	622.45	44,488.06
	Spring Lake	571.37	136.74	10.05	718.16
	Stedman	28,834.16	6,900.62	507.07	36,241.85
	Wade				
		1,535.98	367.59	27.01	1,930.58
Davidson		55,695.41	13,329.08	979.45	70,003.94
Davidson	Kill Devil Hills	46,556.81	11,142.02	818.74	58,517.57
	Kitty Hawk	17,904.14	4,284.84	314.86	22,503.84
	Manteo	8,217.69	1,966.67	144.51	10,328.87
	Nags Head	5,784.31	1,384.31	101.72	7,270.34
	Southern Shores	7,283.32	1,743.05	128.08	9,154.45
		6,325.43	1,513.81	111.24	7,950.48

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Denton	** High Point		459.29	33.75	493.04
	Lexington	65,455.80	15,664.95	1,151.09	82,271.84
	Thomasville	58,962.32	14,110.92	56.63	73,129.87
Davie	Cooleemee	3,344.21	800.34	58.81	4,203.36
Duplin	Mocksville				
	Beulaville				
	Calypso				
	* Faison	2,581.26	617.75	45.39	3,244.40
	Greenevers	1,851.92	443.20		2,295.12
	** Harrells				
	Kenansville	3,035.00	726.34	53.37	3,814.71
	Magnolia				
	** Mount Olive	6.72	1.61	0.12	8.45
	Rose Hill	4,799.53	1,148.63	84.40	6,032.56
	Teachey				
	* Wallace	11,266.13	2,696.22	198.12	14,160.47
Durham	Warsaw	10,083.05	2,413.09	177.32	12,673.46
	** Chapel Hill	125,238.21	29,972.14	2,202.41	157,412.76
	* Durham	4,762.56	1,139.78	83.75	5,986.09
Edgecombe	** Morrisville	534,505.87	127,918.49	9,399.71	671,824.07
	Conetoe	72,880.29	17,441.79	1,281.66	91,603.74
	Leggett	954.53	228.44	16.79	1,199.76
	Macclesfield	359.63	86.07	6.32	452.02
	Pinetops	1,683.87	402.99	29.61	2,116.47
	Princeville	5,236.46	1,253.20	92.09	6,581.75
	** Rocky Mount	7,232.91	1,730.99	127.20	9,091.10
	** Sharpsburg	59,271.53	14,184.92	1,042.34	74,498.79
	Speed	393.24	94.11	6.92	494.27
	Tarboro	285.69	68.37	5.02	359.08
	* Whitakers	36,386.37	8,708.02	639.88	45,734.27
		1,502.37	359.55	26.42	1,888.34

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Forsyth	Bethania	236,272.76	56,545.04		292,817.80
	Clemmons	988.14	236.48		1,224.62
	** High Point	44,244.43	10,588.62	778.07	55,611.12
	* Kernersville	16.81	4.02	0.30	21.13
	** King	46,203.90	11,057.56	812.53	58,073.99
	Lewisville	2,019.97	483.42		2,503.39
	Rural Hall	25,029.49	5,990.08		31,019.57
	Tobaccoville	9,020.97	2,158.91		11,179.88
	Walkertown	7,847.97	1,878.19		9,726.16
	Winston-Salem	12,731.53	3,046.92		15,778.45
		580,773.63	138,991.34	10,213.37	729,978.34
Franklin	Bunn	123,315.71	29,512.04		152,827.75
	Centerville	1,378.02	329.79	24.23	1,732.04
	Franklinton	299.40	71.65		371.05
	Louisburg	7,374.07	1,764.77	129.68	9,268.52
	Youngsville	11,763.56	2,815.27	206.87	14,785.70
		1,888.89	452.05	33.22	2,374.16
Gaston	Belmont				
	Bessemer City	16,916.00	4,048.35	297.48	21,261.83
	Cherryville	18,525.92	4,433.64	325.79	23,285.35
	Cramerton	8,331.96	1,994.01	146.52	10,472.49
	Dallas				
	Delview				
	Gastonia				
	* High Shoals	209,068.69	50,034.53	3,676.64	262,779.86
	** Kings Mountain				
	Lowell	2,688.81	643.49	47.28	3,379.58
	McAdenville				
	Mount Holly				
	Ranlo				
Gates	Spencer Mountain				
	Stanley				
	Gatesville	32,057.38	7,672.00	563.75	40,293.13
		1,263.74	302.44	22.22	1,588.40

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Graham	Robbinsville Santeetlah	105,112.44 6,207.80 30,084.46 937.72 1,515.82	25,155.62 1,485.66 7,199.84 224.42 362.77	1,848.49 109.17 529.06 16.49 26.66	132,116.55 7,802.63 37,813.36 1,178.63 1,905.25
Granville	Creedmoor Oxford Stem Stovall	51,682.36 1,730.92 5,105.38 806.64	12,368.67 414.25 1,221.83 193.05	908.88 30.44 89.78 14.19	64,959.91 2,175.61 6,416.99 1,013.88
Greene	Hookerton Snow Hill Walstonburg	288,171.24 1,189.80 7,434.57 686,252.42 244,325.76 10,224.21	68,965.43 284.74 1,779.25 164,234.63 58,472.29 2,446.87	5,067.73 20.92 130.74 12,068.30 4,296.66 179.80	362,204.40 1,495.46 9,344.56 862,555.35 307,094.71 12,850.88
Guilford	** Archdale * Gibsonville * Greensboro * High Point Jamestown Kernersville Oak Ridge Pleasant Garden Sedalia Stokesdale Summerfield Whitsett	3,188.59 14,701.09 2,003.17 8,016.03 19,937.55 2,450.18	763.10 3,518.28 479.40 1,918.40 4,771.48 586.38	56.07 258.53 35.23 140.97 350.62 43.09	4,007.76 18,477.90 2,517.80 10,075.40 25,059.65 3,079.65
Halifax	Enfield Halifax Hobgood Littleton Roanoke Rapids Scotland Neck Weldon	106,339.21 10,190.60 1,169.63 1,421.71 2,198.11 53,746.02 8,301.71 4,315.55	25,449.21 2,438.83 279.92 340.25 526.05 12,862.55 1,986.77 1,032.80	1,870.06 179.21 20.57 25.00 38.66 945.17 145.99 75.89	133,658.48 12,808.64 1,470.12 1,786.96 2,762.82 67,553.74 10,434.47 5,424.24

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Harnett	Angier	9,498.23	2,273.13	167.03	11,938.39
	** Broadway				
	Coats	5,901.95	1,412.46	103.79	7,418.20
	Dunn	33,042.16	7,907.68	581.07	41,530.91
	Erwin	14,449.01	3,457.95		17,906.96
	Lillington	11,242.60	2,690.59	197.71	14,130.90
Haywood	Canton	12,496.26	2,990.62	219.76	15,706.64
	Clyde				
	Maggie Valley	2,161.13	517.20	38.01	2,716.34
	Waynesville	32,558.17	7,791.85	572.56	40,922.58
Henderson	Flat Rock				
	Fletcher	11,051.02	2,644.74	194.34	13,890.10
	Hendersonville	32,359.87	7,744.40	569.07	40,673.34
	Laurel Park	6,839.67	1,636.88	120.28	8,596.83
	** Saluda				
Hertford	Ahoskie	46,768.55	11,192.70	822.46	58,783.71
	Cofield	14,687.64	3,515.06	258.29	18,460.99
	Como	1,277.19	305.66	22.46	1,605.31
	Harrellsville	342.82	82.04	6.03	430.89
	Murfreesboro	319.30	76.41	5.62	401.33
	Winton	7,532.04	1,802.58	132.46	9,467.08
		2,732.51	653.95	48.05	3,434.51
Hoke	Raeform	83,302.80	19,936.11	1,464.95	104,703.86
		13,770.09	3,295.47	242.16	17,307.72
Hyde		17,746.17	4,247.03	312.08	22,305.28
Iredell	** Davidson	234,088.10	56,022.20		290,110.30
	Harmony	3.36	0.80		4.16
	Love Valley	1,915.78	458.49		2,374.27
	Mooreville	255.44	61.13		316.57
		51,188.29	12,250.43	900.19	64,338.91

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Jackson	Statesville	73,498.72	17,589.79	1,292.53	92,381.04
	Troutman	6,278.38	1,502.55		7,780.93
Johnston	Dillsboro				
	Forest Hills				
	** Highlands	13.44	3.22	0.24	16.90
	Sylva	7,740.42	1,852.45	136.12	9,728.99
	Webster				
	Benson	226,932.50	54,309.72	3,990.79	285,233.01
	Clayton	12,449.21	2,979.36	218.93	15,647.50
	Four Oaks	24,700.11	5,911.26	434.37	31,045.74
	* Kenly	6,012.86	1,439.00	105.74	7,557.60
	Micro	5,780.95	1,383.50	101.66	7,266.11
Jones	Pine Level	1,603.21	383.68	28.19	2,015.08
	Princeton	4,776.00	1,143.00	83.99	6,002.99
	Selma	5,333.93	1,276.52	93.80	6,704.25
	Smithfield	19,087.21	4,567.97	335.66	23,990.84
	Wilson's Mills	37,623.22	9,004.03	661.63	47,288.88
		2,493.87	596.84	43.86	3,134.57
	Maysville	25,520.20	6,107.52	448.79	32,076.51
	Pollocksville	3,055.16	731.17	53.73	3,840.06
	Trenton	941.08	225.22	16.55	1,182.85
		692.37	165.70	12.18	870.25
Lee	* Broadway	36,161.18	8,654.13	635.92	45,451.23
	Sanford	3,643.34	871.93		4,515.27
Lenoir		36,161.18	8,654.13	635.93	45,451.24
	** Grifton	100,144.86	23,966.77	1,761.13	125,872.76
	Kinston	850.34	203.50	14.95	1,068.79
	La Grange	85,363.11	20,429.19	1,501.18	107,293.48
	Pink Hill	10,116.66	2,421.13	177.91	12,715.70
Lincoln		1,952.75	467.33	34.34	2,454.42
	** High Shoals				

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
	Lincolnton	34,662.17	8,295.39	609.56	43,567.12
	** Maiden				
Macon	Franklin	11,602.23	2,776.66	204.03	14,582.92
	* Highlands	3,586.20	858.25	63.07	4,507.52
Madison	Hot Springs	1,838.48	439.99	32.33	2,310.80
	Mars Hill				
	Marshall				
Martin	Bear Grass	52,586.47	12,585.05	924.77	66,096.29
	Everetts	255.44	61.13	4.49	321.06
	Hamilton	450.38	107.78	7.92	566.08
	Hassell	1,808.23	432.75	31.80	2,272.78
	Jamesville	315.94	75.61	5.56	397.11
	Oak City	2,241.80	536.51	39.42	2,817.73
	Parmele	1,277.19	305.66	22.46	1,605.31
	Robersonville	1,035.19	247.74	18.20	1,301.13
	Williamston	6,480.04	1,550.81	113.96	8,144.81
		19,685.48	4,711.15	346.18	24,742.81
McDowell	Marion	16,936.16	4,053.18	297.84	21,287.18
	Old Fort				
Mecklenburg	Charlotte	71,582.94	17,131.30	1,258.84	89,973.08
	Cornelius	1,735,430.90	415,325.00	30,519.00	2,181,274.90
	* Davidson	30,138.24	7,212.71	530.00	37,880.95
	Huntersville	18,872.11	4,516.49	331.88	23,720.48
	Matthews	58,881.65	14,091.62	1,035.48	74,008.75
	Mint Hill	62,982.09	15,072.94	1,107.59	79,162.62
	Pineville	55,762.63	13,345.17	980.63	70,088.43
		11,753.48	2,812.85	206.69	14,773.02
Mitchell	Bakersville				
	Spruce Pine				



# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Montgomery	Biscoe	5,525.51	1,322.37	97.17	6,945.05
	Candor	2,500.60	598.45		3,099.05
	Mount Gilead	4,577.70	1,095.54	80.50	5,753.74
	Star				
	Troy	12,496.26	2,990.62		15,486.88
Moore	Aberdeen	134,642.33	32,222.74	2,367.79	169,232.86
	Cameron	12,260.99	2,934.31	215.62	15,410.92
	Carthage	810.01	193.85	14.24	1,018.10
	Foxfire Village	5,985.97	1,432.57	105.27	7,523.81
	Pinebluff	1,394.82	333.81	24.53	1,753.16
	Pinehurst	3,290.44	787.47	57.86	4,135.77
	Robbins	27,086.43	6,482.35	476.34	34,045.12
	Southern Pines	3,774.42	903.30	66.38	4,744.10
	Taylorstown	33,381.62	7,988.92	587.04	41,957.58
	Vass	2,493.87	596.84	43.86	3,134.57
	Whispering Pines	2,423.29	579.95	42.62	3,045.86
		6,053.19	1,448.66	106.45	7,608.30
Nash	Bailey	116,318.07	27,837.36	2,045.55	146,200.98
	Castalia	1,882.17	450.44	33.10	2,365.71
	Dortches	894.03	213.96	15.72	1,123.71
	Middlesex	3,024.92	723.93	53.20	3,802.05
	Momeyer	3,226.58	772.19	56.74	4,055.51
	Nashville	920.92	220.40	16.20	1,157.52
	Red Oak	13,239.05	3,168.38	232.82	16,640.25
	* Rocky Mount	8,657.98	2,072.04	152.26	10,882.28
	* Sharpsburg	134,423.87	32,170.46	2,363.95	168,958.28
	Spring Hope	4,456.71	1,066.58	78.37	5,601.66
	** Whitakers	4,312.18	1,032.00	75.83	5,420.01
		1,391.46	333.01	24.47	1,748.94
New Hanover	Carolina Beach	246,470.09	58,985.47	4,334.37	309,789.93
	Kure Beach	16,146.32	3,864.16	283.95	20,294.43
	Wilmington	2,540.93	608.10	44.68	3,193.71
	Wrightsville Beach	216,829.28	51,891.81	3,813.12	272,534.21
		10,741.81	2,570.74	188.90	13,501.45

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Northampton	Conway	48,139.84	11,520.88	846.58	60,507.30
	Garysburg	2,594.71	620.97	45.63	3,261.31
	Gaston	3,680.31	880.78	64.72	4,625.81
	Jackson	3,518.98	842.17	61.88	4,423.03
	Lasker	1,888.89	452.05	33.22	2,374.16
	Rich Square	497.43	119.05	8.75	625.23
	Seaboard	3,562.68	852.62	62.65	4,477.95
	Savannah	2,665.29	637.86	46.87	3,350.02
	Savannah	867.14	207.53	15.25	1,089.92
	Woodland	2,493.87	596.84	43.86	3,134.57
Onslow	Holly Ridge	230,784.22	55,231.52	4,058.52	290,074.26
	Jacksonville	2,547.65	609.71	44.80	3,202.16
	North Topsail Beach	248,043.04	59,361.92	4,362.03	311,766.99
	Richlands	3,697.12	884.80	65.02	4,646.94
	** Surf City	4,231.52	1,012.69	74.41	5,318.62
	Swansboro	1,125.94	269.46	19.80	1,415.20
		4,823.06	1,154.26	84.82	6,062.14
Orange	Carrboro	147,283.12	35,247.95	2,590.09	185,121.16
	* Chapel Hill	50,862.27	12,172.41	894.45	63,929.13
	** Durham	143,044.88	34,233.65	2,515.56	179,794.09
	Hillsborough	73.94	17.70	1.30	92.94
	** Mebane	17,292.43	4,138.44	304.10	21,734.97
		1,922.50	460.10	33.81	2,416.41
Pamlico	Alliance	25,416.01	6,082.59	446.96	31,945.56
	Arapahoe	2,261.96	541.34	39.78	2,843.08
	Bayboro	1,542.71	369.20	27.13	1,939.04
	Grantsboro	2,540.93	608.10	44.68	3,193.71
	Mesic	1,519.18	363.57	26.72	1,909.47
	Minnesott Beach	1,028.47	246.13	18.09	1,292.69
	Oriental	998.22	238.90	17.55	1,254.67
	Stonewall	2,940.89	703.82	51.72	3,696.43
	Vandemere	927.64	222.00	16.31	1,165.95
		1,065.44	254.98	18.74	1,339.16
Pasquotank		59,076.59	14,138.27	1,038.91	74,253.77

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
	Wentworth	6,883.36	1,647.33		8,530.69
Rowan					
	China Grove	231,916.88	55,502.59	4,078.44	291,497.91
	Cleveland	13,202.07	3,159.53	232.17	16,593.77
	East Spencer	2,910.64	696.58	51.19	3,658.41
	Faith	7,770.67	1,859.68	136.65	9,767.00
	Granite Quarry	2,325.82	556.62	40.90	2,923.34
	** Kannapolis	6,654.81	1,592.64	117.03	8,364.48
	Landis	30,027.32	7,186.17	528.05	37,741.54
	Rockwell	10,704.84	2,561.89	188.25	13,454.98
	Salisbury	5,885.14	1,408.44	103.49	7,397.07
	Spencer	90,354.22	21,623.66	1,588.95	113,566.83
		10,893.06	2,606.94	191.56	13,691.56
Rutherford					
	Alexander Mills				
	Bostic				
	Chimney Rock Village				
	Ellenboro				
	Forest City				
	Lake Lure	2,631.68	629.82	46.28	3,307.78
	Ruth				
	Rutherfordton	12,217.30	2,923.86	214.85	15,356.01
	Spindale				
Sampson					
	Autryville				
	Clinton	31,875.88	7,628.57	560.56	40,065.01
	** Falson				
	** Falcon				
	Garland	2,668.65	638.66	46.93	3,354.24
	* Harrells				
	Newton Grove	1,831.75	438.38	32.21	2,302.34
	Roseboro	5,112.11	1,223.43	89.90	6,425.44
	Salemberg				
	Turkey				
Scotland					
	East Laurinburg	58,273.31	13,946.03	1,024.78	73,244.12
		954.53	228.44	16.79	1,199.76

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Stanly	Gibson	1,905.70	456.07	33.51	2,395.28
	Laurinburg	52,858.71	12,650.20	929.56	66,438.47
	** Maxton	894.03	213.96	15.72	1,123.71
	Wagram	2,762.76	661.19	48.59	3,472.54
Stokes	Albemarle	53,648.55	12,839.23	943.45	67,431.23
	Badin				
	* Locust				
	New London				
Surry	Norwood	8,328.60	1,993.21	146.47	10,468.28
	Oakboro				
	Richfield	1,922.50	460.10		2,382.60
	Stanfield				
Swain	Danbury	119,816.89	28,674.70		148,491.59
	* King	440.29	105.37		545.66
	Walnut Cove	19,688.84	4,711.95	71.52	24,400.79
		4,066.83	973.28		5,111.63
Transylvania	Dobson	174,951.01	41,869.46		216,820.47
	* Elkin	4,352.52	1,041.65	76.54	5,470.71
	Mount Airy	12,553.40	3,004.29	220.76	15,778.45
	Pilot Mountain	28,615.70	6,848.34	503.23	35,967.27
Tyrrell		4,157.58	995.00		5,152.58
	Bryson City	3,717.28	889.62	65.37	4,672.27
	Brevard	22,441.51	5,370.73	394.65	28,206.89
	Rosman	1,509.10	361.16	26.54	1,896.80
Union	Columbia	9,494.87	2,272.32	166.97	11,934.16
		2,846.78	681.29	50.06	3,578.13
	Hemby Bridge				
	Indian Trail	21,702.09	5,193.77		26,895.86

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Vance	Lake Park				
	Marshville	9,343.63	2,236.13		11,579.76
	Marvin				
	Monroe	79,602.32	19,050.51	1,399.87	100,052.70
	Stallings	8,496.65	2,033.43		10,530.08
	Unionville				
	Waxhaw	8,815.95	2,109.84	155.04	11,080.83
	Weddington	19,140.99	4,580.84		23,721.83
	Wesley Chapel				
	Wingate	10,170.44	2,434.00		12,604.44
Wake	Henderson	80,254.36	19,206.56	1,411.34	100,872.26
	Kittrell	56,246.62	13,461.00	989.14	70,696.76
	Middleburg	803.28	192.24	14.13	1,009.65
		433.57	103.76	7.62	544.95
Warren	Apex	477,012.32	114,159.08	8,388.64	599,560.04
	* Cary	40,493.53	9,690.95	712.11	50,896.59
	Fuquay-Varina	271,486.14	64,972.34	4,774.30	341,232.78
	Garner	21,002.99	5,026.46	369.35	26,398.80
	Holly Springs	59,896.68	14,334.54	1,053.33	75,284.55
	Knightdale	18,811.61	4,502.01	330.82	23,644.44
	* Morrisville	13,491.12	3,228.71	237.25	16,957.08
	Raleigh	7,569.01	1,811.42	133.11	9,513.54
	Rolesville	900,110.56	215,415.38	15,829.16	1,131,355.10
	Wake Forest	2,537.57	607.29	44.63	3,189.49
	Wendell	31,344.84	7,501.48	551.22	39,397.54
	Zebulon	12,516.43	2,995.44	220.11	15,731.98
		15,319.51	3,666.28	269.41	19,255.20
Washington	Macon	53,732.58	12,859.34	944.93	67,536.85
	Norlina	524.32	125.48	9.22	659.02
	Warrenton	3,518.98	842.17	61.88	4,423.03
		3,192.97	764.14	56.15	4,013.26
Washington	Creswell	28,215.74	6,752.62	496.20	35,464.56
	Plymouth	1,129.30	270.27	19.86	1,419.43
	Roper	13,212.16	3,161.95	232.35	16,606.46
		2,134.25	510.77	37.53	2,682.55

# 1999 BEVERAGE DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Watauga	* Beech Mountain	877.23	209.94	15.43	1,102.60
	* Blowing Rock	4,339.07	1,038.43	76.31	5,453.81
	Boone	47,978.52	11,482.27	843.74	60,304.53
	* Seven Devils	373.07	89.28	6.56	468.91
Wayne	Eureka		45,138.38	3,316.86	48,455.24
	Fremont		242.11	17.79	259.90
	Goldsboro	6,002.78	1,436.59	105.56	7,544.93
	* Mount Olive	162,525.33	38,895.73	2,858.14	204,279.20
	Pikeville	16,559.73	3,963.09	291.22	20,814.04
	Seven Springs		624.18	45.87	670.05
	Walnut Creek		135.13	9.93	145.06
		2,524.12	604.08	44.39	3,172.59
Wilkes	** Elkin	187,282.58	44,820.66		232,103.24
	North Wilkesboro	241.99	57.91	4.26	304.16
	Ronda	12,960.08	3,101.62	227.91	16,289.61
	Wilkesboro	1,226.77	293.59		1,520.36
		10,385.54	2,485.48	182.64	13,053.66
Wilson	Black Creek	74,503.66	17,830.29	1,310.21	93,644.16
	Elm City	2,382.96	570.29	41.91	2,995.16
	** Kenly	5,834.73	1,396.37	102.61	7,333.71
	Lucama	594.90	142.37	10.46	747.73
	Saratoga	3,290.44	787.47	57.86	4,135.77
	** Sharpsburg	1,129.30	270.27	19.86	1,419.43
	Sims	1,488.93	356.33	26.18	1,871.44
	Stantonsburg	393.24	94.11	6.92	494.27
	Wilson	2,702.26	646.71	47.52	3,396.49
		138,662.11	33,184.76	2,438.48	174,285.35
Yadkin	Arlington				
	Boonville				
	East Bend				
	Jonesville				
	Yadkinville				

# 1999 BEVERAGE TAX DISTRIBUTION

Counties	Municipalities	Beer	Unfortified Wine	Fortified Wine	Total
Yancey	Burnsville				
Total distributed to counties and municipalities April 1, 1998 to March 31, 1999					
		19,439,445.01	4,679,121.83	305,776.50	24,424,343.34

\* Municipalities which share in proceeds in more than one county.

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**2001 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Gibson** (Chair/Chairs) for the Committee on **ALCOHOLIC  
BEVERAGE CONTROL**.

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☐ Committee Substitute for  
S.B. 823 A BILL TO BE ENTITLED AN ACT TO PROMOTE THE NORTH CAROLINA  
GRAPE AND WINE INDUSTRY.

- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on Appropriations ☐ Finance ☐ ☐.
- ☒ With a favorable report as to <sup>House</sup> committee substitute bill (# ), ☐ which changes the title,  
unfavorable as to ~~(original bill)~~ <sup>Senate</sup> (Committee Substitute Bill # ), (and recommendation  
that the <sup>House</sup> committee substitute bill # ) be re-referred to the Committee on <sup>Finance</sup>
- ☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes  
the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01



# VISITOR REGISTRATION SHEET

ALCOHOLIC BEVERAGE CONTROL

May 31, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Lu Ann Cole

NC Agribusiness Council

Dick Carlton

Carlton & Alexander

LENNIE COLLINS

NC Dept of Revenue

Jim Ruck

Paul Hill & Strayer

Rich Aviole

Chris Valachi

N.C. Beer & Wine

Dean Plunkett

NC Beer & Wine

Jon Carr

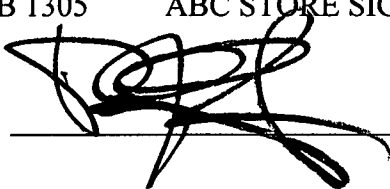
NC ABC Boards Assn.

The Alcoholic Beverage Control Committee did not have a meeting during  
the 2002 Legislative Session.

I request that the Alcoholic Beverage Control Committee not consider the following bills:

HB 152	TOURISM ABC ESTABLISHMENT
HB 179	ABC COMM-/CONSIDER PROXIMITY OF LICENSEES
HB 549	BEER AND WINE TAX DISTRIBUTION
HB 1005	POSSESSING FRAUDULENT ID TO GET LIQUOR
HB 1173	ABC PERMITS IN STATE ECONOMIC ZONES
HB 1305	ABC STORE SIGNS LIMITED

SIGNED: \_\_\_\_\_

A large, stylized handwritten signature in black ink, written over a horizontal line.

DATE: 10/3/02