

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 527
Commerce and Insurance Committee Substitute Adopted 4/25/23
Third Edition Engrossed 4/27/23
PROPOSED HOUSE COMMITTEE SUBSTITUTE S527-CSTQxfr-32 [v.3]
06/26/2023 05:15:35 PM

Short Title: ABC Omnibus 2023.

(Public)

Sponsors:

Referred to:

April 4, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOL LAWS OF THIS STATE.
3 The General Assembly of North Carolina enacts:

4
5 **EXCLUDE READY-TO-DRINK COCKTAILS FROM MIXED BEVERAGE CHARGE**

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

7 "§ 18B-101. Definitions.

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

9 ...

10 (8b) "Premixed cocktail" means a single-serving drink in the manufacturer's
11 original closed container of 24 fluid ounces or less containing at least one-half
12 of one percent (0.5%), and no more than thirteen percent (13%), alcohol by
13 volume and consisting of spirituous liquor premixed with any or all of the
14 following: nonalcoholic beverages, flavoring, or coloring. A premixed
15 cocktail may contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide,
16 preservatives, and other similar products manufactured by fermenting fruit or
17 fruit juices.

18 ...

19 (10) "Mixed beverage" means either of the following:

- 20 a. A drink composed in whole or in part of spirituous liquor and served
21 in a quantity less than the quantity contained in a closed package.
22 b. A premixed cocktail served from a closed package containing only one
23 serving cocktail sold by a mixed beverages permittee, regardless of
24 whether the premixed cocktail is sold in an open container or a closed
25 container.

26"

27 SECTION 1.(b) G.S. 18B-804(b)(8), as amended by Section 18(c) of this act, reads
28 as rewritten:

29 "(8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar
30 services permittee for resale in mixed beverages, a charge of twenty dollars
31 (\$20.00) on each four liters and a proportional sum on lesser quantities. This
32 subdivision shall not apply to premixed cocktails sold to a mixed beverage
33 permittee in a closed package for resale in or from the closed package, and a
34 mixed beverages tax stamp shall not be required on these closed packages."



* S 5 2 7 - C S T Q X F R - 3 2 *

1 **SECTION 1.(c)** G.S. 18B-1007(b) reads as rewritten:

2 "(b) Handling Bottles. – It shall be unlawful for a mixed beverages permittee or the
3 permittee's agent or employee to do any of the following:

4 (1) Store any other spirituous liquor with liquor possessed for resale in mixed
5 beverages or from a guest room cabinet.

6 (2) Refill any spirituous liquor container having a mixed beverages tax stamp with
7 any other alcoholic beverage, or add to the contents of such a container any
8 other alcoholic beverage.

9 (3) Transfer from one container to another a mixed beverages tax stamp.

10 (4) Possess any container of spirituous liquor not bearing a mixed beverages tax
11 stamp, except for premixed cocktails sold to a mixed beverages permittee in a
12 closed package for resale in or from the closed package or containers being
13 brought onto the premises by the host of a private function under a special
14 occasion permit."

15
16 **ALLOW ABC COMMISSION MEMBERS AND STAFF AND LOCAL BOARD**
17 **MEMBERS TO SAMPLE PRODUCTS**

18 **SECTION 2.(a)** Article 2 of Chapter 18B of the General Statutes is amended by
19 adding a new section to read:

20 **"§ 18B-209. Authority to sample spirituous liquor products.**

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

27 **SECTION 2.(b)** Article 7 of Chapter 18B of the General Statutes is amended by
28 adding a new section to read:

29 **"§ 18B-707. Authority to sample spirituous liquor products.**

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

37
38 **LOCAL ABC BOARD SUNDAY OPTION AND FLEXIBILITY ON CERTAIN**
39 **HOLIDAYS**

40 **SECTION 3.(a)** G.S. 18B-802 reads as rewritten:

41 **"§ 18B-802. When stores operate.**

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

48 (b) Days. – No ABC store shall be open, and no ABC store employee shall sell alcoholic
49 beverages, on any Sunday, New Year's Day, Fourth of July, Labor Day, Sunday unless authorized
50 by an ordinance adopted pursuant to G.S. 18B-112(b2), 153A-145.7(b), or 160A-205.3(b),

1 Thanksgiving Day, or Christmas Day. A local board may otherwise determine the days on which
2 its stores shall be closed."

3 **SECTION 3.(b)** G.S. 18B-112 is amended by adding a new subsection to read:

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

10 **SECTION 3.(c)** G.S. 153A-145.7 reads as rewritten:

11 **"§ 153A-145.7. Hours of certain alcohol sales.**

12 (a) In accordance with G.S. 18B-1004(c), a county may adopt an ordinance allowing for
13 the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at
14 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001.

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

20 **SECTION 3.(d)** G.S. 160A-205.3 reads as rewritten:

21 **"§ 160A-205.3. Hours of certain alcohol sales.**

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

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

33 **SECTION 3.(e)** G.S. 18B-1004(c) reads as rewritten:

34 "(c) Sunday Hours. – Except as authorized pursuant to G.S. 18B-112(b1), ~~153A-145.7, or~~
35 ~~160A-205.3, 153A-145.7(a), or 160A-205.3(a),~~ it shall be unlawful to sell or consume alcoholic
36 beverages on any licensed premises from the time at which sale or consumption must cease on
37 Sunday morning until 12:00 Noon on that day."

39 **RAISE CAP ON POINT-OF-SALE ADVERTISING MATERIALS, PRODUCT** 40 **DISPLAYS, AND COOLERS**

41 **SECTION 4.(a)** G.S. 18B-105 is amended by adding two new subsections to read:

42 "(c) A beer or wine wholesaler may give, furnish, loan, rent, or sell retailer advertising
43 specialty items and product displays to a retail permittee, so long as the items have not been
44 customized for an individual retail permittee, and provided that the value of the items per brand
45 does not exceed six hundred dollars (\$600.00) per year. For the purposes of this subsection, the
46 following definitions apply:

47 (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items
48 from which malt beverages, wine, or spirituous liquor are displayed and sold.

49 (2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal
50 checks, paper napkins, glassware, cups, foam scrapers, back bar mats,
51 thermometers, and other similar items that bear advertising matter.

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

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

9 (2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal
 10 checks, paper napkins, glassware, cups, foam scrapers, back bar mats,
 11 thermometers, and other similar items that bear advertising matter, and shall
 12 not include branded plug-in coolers."

13 **SECTION 4.(b)** G.S. 18B-809 reads as rewritten:

14 **"§ 18B-809. Use of branded plug-in coolers.**

15 No rule or decision of the Commission may limit or restrict the giving, lending, or selling by
 16 industry members of branded plug-in coolers used to hold and display ~~products,~~ products in an
 17 ABC store, provided that the total value of coolers are under the dollar limits set forth by the
 18 Commission for product displays per brand is less than one thousand five hundred dollars
 19 (\$1,500). A branded plug-in cooler shall have permanent and conspicuous branding that is
 20 permanently attached or securely affixed to the cooler."

21 **ALLOW TO-GO AND DELIVERY SALES OF MIXED BEVERAGES**

22 **SECTION 5.(a)** G.S. 18B-1001, as amended by Section 15(b) of this act, reads as
 23 rewritten:

24 **"§ 18B-1001. Kinds of ABC permits; places eligible.**

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

27 ...

28 (3) **On-Premises Unfortified Wine Permit.** – An on-premises unfortified wine
 29 permit authorizes (i) the retail sale of unfortified wine for consumption on the
 30 premises, either alone or mixed with other beverages, (ii) the retail sale of
 31 unfortified wine in the manufacturer's original container for consumption off
 32 the premises, and (iii) the retail sale of unfortified wine dispensed from a tap
 33 connected to a pressurized container utilizing carbon dioxide or similar gas
 34 into a cleaned and sanitized container that is filled or refilled and sealed for
 35 consumption off the premises and that identifies the permittee and the date the
 36 container was filled or refilled. The permit also authorizes the permittee to
 37 transfer unfortified wine, not more than four times per calendar year, to
 38 another on-premises unfortified wine permittee that is under common
 39 ownership or control as the transferor. Except as authorized by this
 40 subdivision, transfers of wine by on-premises unfortified wine permittees,
 41 purchases of wine by a retail permittee from another retail permittee for the
 42 purpose of resale, and sale of wine by a retail permittee to another retail
 43 permittee for the purpose of resale are unlawful. In addition, a particular brand
 44 of wine may be transferred only if both the transferor and transferee are
 45 located within the territory designated between the winery and the wholesaler
 46 on file with the Commission. Prior to or contemporaneous with any such
 47 transfer, the transferor shall notify each wholesaler who distributes the
 48 transferred product of the transfer. The notice shall be in writing or verifiable
 49 electronic format and shall identify the transferor and transferee, the date of
 50 the transfer, quantity, and items transferred. The holder of the permit is
 51

1 authorized to ship unfortified wine in closed containers to individual
2 purchasers inside and outside the State. Orders received by a winery by
3 telephone, Internet, mail, facsimile, or other off-premises means of
4 communication shall be shipped pursuant to a wine shipper permit and not
5 pursuant to this subdivision. The permit may be issued for any of the
6 following:

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

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

44 ...

- 45 (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit
46 authorizes the retail sale of fortified wine for consumption on the premises,
47 either alone or mixed with other beverages, and the retail sale of fortified wine
48 in the manufacturer's original container for consumption off the premises. The
49 permit also authorizes the permittee to transfer fortified wine, not more than
50 four times per calendar year, to another on-premises fortified wine permittee
51 that is under common ownership or control as the transferor. Except as

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

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

28 Additionally, an on-premises fortified wine permit authorizes a permittee that
29 is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail
30 single-serving fortified wine drinks for consumption off the premises,
31 including delivery by the permittee or a delivery service permittee. Single-
32 serving fortified wine drinks sold for consumption off the premises must be
33 sold with food and shall be packaged in a container with a secure lid or cap
34 and in a manner designed to prevent consumption without removal of the lid
35 or cap. The container shall be no greater than 24 fluid ounces.
36 Notwithstanding G.S. 20-138.7, the transportation of single-serving fortified
37 wine drinks shall not be unlawful if the container continues to be sealed and
38 is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010,
39 the sale of more than two single-serving fortified wine drinks at one time shall
40 not be unlawful if the single-serving fortified wine drinks are sold for delivery
41 or consumption off the permittee's premises. No single-serving fortified wine
42 by drink ordered for off-premises consumption shall be provided to any person
43 other than the purchaser of the single-serving fortified wine drink, except that
44 in the case of delivery, the delivery service permittee through its employees
45 or agents may provide the single-serving fortified wine drink to a person other
46 than the purchaser if the permittee or the permittee's employees or agents
47 verify that the person is over 21 years of age using age verification software
48 requiring the recipient to provide a form of photographic identification
49 authorized in G.S. 18B-302(d)(1).
50

...

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

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

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

SECTION 5.(b) G.S. 20-138.7 reads as rewritten:

"§ 20-138.7. Transporting an open container of alcoholic beverage.

(a) Offense. – No person shall drive a motor vehicle on a highway or the right-of-way of a highway:

- (1) While there is an alcoholic beverage in the passenger area in other than the unopened manufacturer's original ~~container; and container~~ or a container that remains securely sealed pursuant to G.S. 18B-1001(3), 18B-1001(5) or G.S. 18B-1001(10).
- (2) While the driver is consuming alcohol or while alcohol remains in the driver's body.

...."

1 **SECTION 5.(c)** G.S. 18B-1001.4 reads as rewritten:

2 "**§ 18B-1001.4. Authorization of delivery service permit.**

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

12 (b) Training and Payment. – Prior to making any deliveries, each individual delivering
13 alcoholic beverages pursuant to a delivery service permit shall successfully complete a course
14 approved by the Commission related to the delivery of alcoholic beverages. Upon receipt of a
15 proposed training program from a holder of a delivery service permit, the Commission shall have
16 15 business days to approve, deny, or request modifications to the proposed training program.
17 An individual delivering alcoholic beverages pursuant to a delivery service permit shall not
18 handle or possess funds used to purchase an alcoholic beverage that is to be delivered, but may
19 facilitate the sales transaction in a manner that does not involve taking possession of funds.

20 (c) Age of Recipient and Notice. – An individual may only deliver alcoholic beverages
21 pursuant to a delivery service permit to an individual who is at least 21 years of age and who
22 immediately takes actual possession of the alcoholic beverages purchased. Delivery of single-
23 serving unfortified wine drinks shall be made in accordance with G.S. 18B-1001(3). Delivery of
24 single-serving fortified wine drinks shall be made in accordance with G.S. 18B-1001(5). Delivery
25 of mixed beverages shall be made in accordance with G.S. 18B-1001(10). A delivery of alcoholic
26 beverages in a package that obscures the manufacturer's original packaging shall have affixed to
27 the outside of the package a notice in 26-point type or larger stating: "CONTAINS ALCOHOLIC
28 BEVERAGES; AGE VERIFICATION REQUIRED."

29 (d) Limitations. – A delivery service permittee shall deliver alcoholic beverages only
30 within the time allowed for lawful sales and consumption in the jurisdiction where the delivery
31 is located. No delivery shall be made to any jurisdiction within the State that has not authorized
32 the sale of the purchased alcoholic beverages. A delivery service permittee shall not deliver
33 alcoholic beverages to the premises of another licensed retailer or more than 50 miles from the
34 retailer's licensed premises. Only alcoholic beverages purchased for personal consumption and
35 from a licensed retailer's existing inventory located on the retailer's premises may be delivered
36 pursuant to a delivery service ~~permit~~ permit, except for single-serving unfortified wine drinks in
37 sealed containers meeting the requirements of G.S. 18B-1001(3), single-serving fortified wine
38 drinks in sealed containers meeting the requirements of G.S. 18B-1001(5), and mixed beverages
39 in sealed containers meeting the requirements of G.S. 18B-1001(10).

40 (e) Scope and Construction. – A delivery service permit is not required for a common
41 carrier lawfully transporting or shipping alcoholic beverages. Nothing in this section shall be
42 construed as exempting the delivery of alcoholic beverages pursuant to a delivery service permit
43 from the requirements set forth in Article 4 of Chapter 18B of the General Statutes. Nothing in
44 this section shall be construed to require a technology services company to obtain a delivery
45 service permit if the company does not employ or contract with delivery drivers, but rather
46 provides software or an application that connects consumers and licensed retailers for the
47 delivery of alcoholic beverages from the licensed retailer. Nothing in this section shall be
48 construed to require a retailer that holds a permit issued pursuant to subdivisions (1) through ~~(6)~~
49 (6), (10), and (16) of G.S. 18B-1001 to obtain a delivery service permit in order for employees
50 of the retail permittee to deliver malt beverages, unfortified wine, or fortified wine to a location
51 designated by the purchaser, however, the other provisions of this section apply to the retailer.

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

SECTION 5.(d) G.S. 18B-1105(a) reads as rewritten:

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

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

...

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

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

(4c) In an area where the sale of mixed beverages has not been approved by a local election, sell mixed beverages containing only spirituous liquor produced at the distillery for consumption on the ~~premises-premises~~, or for consumption off the premises in accordance with the requirements for sale for consumption off the premises described in G.S. 18B-1001(10), upon obtaining a mixed beverages permit under G.S. 18B-1001.

...

...."

ALLOW MIXED BEVERAGE PERMITTEES TO PURCHASE SPIRITUOUS LIQUOR FROM ANY DESIGNATED ABC STORE IN THE SAME COUNTY AND MODIFY ELIGIBILITY FOR SMALL TOWNS TO HOLD ALCOHOL ELECTIONS

SECTION 6.(a) G.S. 18B-404(c) reads as rewritten:

"(c) Designated Store. – ~~A local board may designate a store within its system to make sales to mixed beverage permittees.~~ A mixed beverage permittee may purchase spirituous liquor from an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee."

SECTION 6.(b) G.S. 18B-600 reads as rewritten:

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

...

1 (c) City Malt Beverage and Unfortified Wine Elections. – A city may hold a malt
2 beverage or unfortified wine election only if the county in which the city is located has already
3 held such an election, the vote in the last county election was against the sale of that kind of
4 alcoholic beverage, and ~~one or more of the following apply:~~

5 (1) ~~The~~the city has a population of ~~500-400~~ or more according to the most recent
6 federal decennial census.

7 (2) ~~The city operates an ABC store.~~

8 (3) ~~The city has a population of 400 or more but less than 500 according to the~~
9 ~~most recent federal decennial census and had a population of 500 or more~~
10 ~~according to the prior federal decennial census.~~

11 ...

12 (e) City Mixed Beverage Elections. – A city may hold a mixed beverage election if the
13 city has at least 500 registered voters. Provided, that if a city that qualifies for an election under
14 this subsection approves the sale of mixed beverages, a mixed beverages permittees-permittee
15 in the city may purchase liquor from the ABC store designated by the local ABC board that has
16 been approved by the Commission for this purpose. an ABC store that is designated as a mixed
17 beverage ABC store operated by any local board operating in the same county as the permittee.

18 (e1) Small City Mixed Beverage Elections. – A city may also hold a mixed beverage
19 election if the city has at least ~~300-200~~ registered voters and is located in a county with at least
20 one other city that has approved the sale of mixed beverages. Provided, that if a city that qualifies
21 for an election under this subsection approves the sale of mixed beverages, a mixed beverages
22 permittees-permittee in the smaller city may purchase liquor from the ABC store designated by
23 any local ABC board in any other city that has approved the sale of mixed beverages. an ABC
24 store that is designated as a mixed beverage ABC store operated by any local board operating in
25 the same county as the permittee.

26 ~~This subsection shall not apply to Alamance, Avery, Burke, Caldwell, Carteret, Cleveland,~~
27 ~~Henderson, Onslow, Polk, Robeson, Rowan, Rutherford, and Wilkes Counties.~~

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

34 (e3) ~~Small Town Mixed Beverage Elections. – A town may hold a mixed beverage election~~
35 ~~if the town (i) has at least 200 registered voters, is located in a county bordering the Neuse River~~
36 ~~and Pamlico Sound that has not approved the sale of mixed beverages, and that county has only~~
37 ~~one city that has approved the sale of mixed beverages or (ii) has at least 200 registered voters,~~
38 ~~has a total area of less than 1 square mile, operates an ABC store, and is located in a county that~~
39 ~~has at least three cities that have approved the sale of mixed beverages. Provided, that if a town~~
40 ~~that qualifies for an election under this subsection approves the sale of mixed beverages, mixed~~
41 ~~beverages permittees in the town may purchase liquor from the ABC store designated by any~~
42 ~~local ABC board in any other city that has approved the sale of mixed beverages.~~

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

45 (1) The city may hold a malt beverage or unfortified wine election if any county
46 in which a portion of the city is located has already held such an election, the
47 vote in the last election of the particular type was against the sale of that type
48 of alcoholic beverage, and the city has a population of 500 or more.

49 (2) The city may hold a mixed beverage election if the city has at least 500
50 registered voters and a county in which a portion of the city is located operates

ABC stores, or a municipality in either county in which the city is located operates an ABC store.

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

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

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

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

...."

SECTION 6.(c) G.S. 18B-1007(a) reads as rewritten:

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

SECTION 6.(d) This section is retroactively effective November 1, 2022, and applies to elections conducted on or after that date.

ALLOW MIXED BEVERAGE PERMITTEES TO COVER MIXED BEVERAGE TAX STAMPS WITH CLEAR ADHESIVE TO PREVENT THEM FROM FALLING OFF CONTAINERS OF SPIRITUOUS LIQUOR

SECTION 7. G.S. 18B-1007 is amended by adding a new subsection to read:

"(e) A mixed beverages permittee may not destroy, alter, or deface the mixed beverages tax stamp or any other stamp, label, seal, or device required by law to be affixed to a spirituous liquor container before the container has been emptied. However, the permittee may cover the tax stamp with a clear adhesive for the purpose of preventing the tax stamp from being detached from the container, provided that the tax stamp shall remain legible and capable of being permanently defaced when the container is empty."

1 **INCREASE TRANSPARENCY IN SALES OF APPORTIONED SPIRITUOUS**
2 **LIQUORS**

3 **SECTION 8.(a)** Article 2 of Chapter 18B of the General Statutes is amended by
4 adding a new section to read:

5 **"§ 18B-210. Apportioned spirituous liquors.**

6 (a) For purposes of this section, the following definitions shall apply:

7 (1) Apportioned products. – Containers of spirituous liquor that are made
8 available to local boards only by random drawings conducted by the
9 Commission.

10 (2) Retail customer. – Any customer of an ABC store besides a mixed beverages
11 permittee.

12 (b) Each local board that intends to sell apportioned products to retail customers shall
13 submit to the ABC Commission a plan for how the local board will distribute apportioned
14 products to retail customers. The Commission shall notify the local board whether the proposed
15 distribution plan is approved or denied within 15 business days of receipt of the plan and, if
16 denied, shall notify the local board of the reason for the denial and allow the local board to amend
17 and resubmit the plan. A local board without an approved distribution plan may not sell
18 apportioned products to retail customers.

19 (c) If the local board sells apportioned products to retail customers, it may sell
20 apportioned products only to retail customers who are residents of the county where the local
21 board is located or, in the case of a multicounty local board, who live in a county where the local
22 board operates ABC stores. The local board shall require any retail customer who purchases an
23 apportioned product to produce identification showing that the retail customer is a resident of the
24 county where the ABC board is located or, in the case of a multicounty local board, that the retail
25 customer resides within a county where the local board operates ABC stores.

26 (d) This section shall not be construed to affect the sale of apportioned products to mixed
27 beverage permittees for resale in mixed beverages."

28 **SECTION 8.(b)** G.S. 18B-205 reads as rewritten:

29 **"§ 18B-205. Accounts and reports required.**

30 (a) Accounts and Reports. – The Commission may require local boards to submit
31 quarterly mixed beverage reports, quarterly and annual audits, monthly sales records, and any
32 other reports or audits relating to the operations of the local ABC systems. The monthly sales
33 records shall include a list of all customers, including mixed beverage permittees, who purchase
34 apportioned products, as that term is defined in G.S. 18B-210(a)(1).

35 (b) Accounting System. – The Commission may require local boards to use generally
36 accepted accounting standards and a chart of accounts prescribed by the Commission in the
37 operation of ABC stores, and to record all information necessary and useful to the Commission
38 in auditing the operation of ABC systems and administering the ABC law.

39 (c) Audits. – The Commission may audit the operation of any local ABC store or board,
40 and the books of those stores and boards shall remain open to the Commission for inspection."

41 **SECTION 8.(c)** G.S. 132-1.2 reads as rewritten:

42 **"§ 132-1.2. Confidential information.**

43 Nothing in this Chapter shall be construed to require or authorize a public agency or its
44 subdivision to disclose any information that:

45 ...

46 (10) Reveals the street address of a retail customer who purchases an apportioned
47 product, as those terms are defined in G.S. 18B-210, from an ABC store. This
48 subdivision shall not prevent the disclosure of the county of residence of a
49 retail customer who purchases an apportioned product from an ABC store."

50 **SECTION 8.(d)** G.S. 18B-102 is amended by adding a new subsection to read:

1 "(c) Resale of Apportioned Products Prohibited. – Except as otherwise authorized by this
2 Chapter, it shall be unlawful for any person to (i) purchase or possess apportioned products for
3 the purpose of reselling apportioned products or (ii) advertise or otherwise offer apportioned
4 products for sale. This section shall not be construed to affect the sale of apportioned products to
5 mixed beverage permittees for resale in mixed beverages. Any person who violates this
6 subsection shall be guilty of a Class 1 misdemeanor and is subject to a fine of not less than five
7 hundred dollars (\$500.00) for each instance of unlawful sale. For purposes of this subsection,
8 "apportioned products" has the same meaning as in G.S. 18B-210(a)(1)."

9 **SECTION 8.(e)** This section becomes effective December 1, 2023. Subsection (d)
10 of this section applies to offenses committed on or after that date.

11 **SPECIAL PURCHASE ALLOWANCE MODIFICATION**

12 **SECTION 9.(a)** Article 2 of Chapter 18B of the General Statutes is amended by
13 adding a new section to read:

14 **"§ 18B-211. Special purchase allowance limitation.**

15 The Commission shall notify industry members and local boards at least 60 days in advance
16 of the effective date of an approved retail price reduction for a spirituous liquor product. The
17 price of the spirituous liquor for local boards shall be reduced only for the 30 days that the
18 approved retail price reduction is in effect."

19 **SECTION 9.(b)** The Commission shall adopt rules to address orders placed by a
20 local board for a product with an approved retail price reduction when the product is out of stock
21 while the approved retail price reduction is in effect.

22 **ALLOW ABC STORES TO SELL BRANDED CONSUMER SPECIALTY ITEMS AND**

23 **VALUE-ADDED PRODUCTS, GIFT CARDS, AND BARRELS**

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

25 **"§ 18B-800. Sale of alcoholic beverages in ABC stores.**

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

30 (b) Fortified Wine. – In addition to spirituous liquor, ABC stores may sell fortified wine.
31 ABC stores may also sell wine products, irrespective of alcohol content by volume, which were
32 classified as fortified wine by the ABC Commission prior to July 7, 2004.

33 **(b1) Consumer Specialty Items.** – ABC stores may sell branded consumer specialty items
34 such as bottle or can openers, cork screws, muddlers, ashtrays, shopping bags, individual can
35 coolers, drinking glasses, clothing, or key chains that are packaged with a spirituous liquor
36 product. A branded consumer specialty item shall not include a tobacco, vapor, or hemp product
37 or tobacco, vapor, or hemp paraphernalia. The Commission may approve the retail price for a
38 spirituous liquor product packaged by the producer with one or more branded specialty items at
39 a different price than an individual bottle of the same spirituous liquor product. The local board
40 shall not remove a spirituous liquor product packaged by the producer with one or more branded
41 specialty items from the package.

42 **(b2) Gift Cards.** – ABC stores may sell physical or electronic gift cards. The ABC store
43 shall not collect sales tax for the sale of the gift card. A gift card may be purchased or redeemed
44 only by a customer 21 years of age or older. A local board or ABC store may not offer a discount
45 on a gift card or value on the gift card in excess of the amount paid by the customer. A gift card
46 may be redeemed at any ABC store operated by the local board from which the gift card was
47 purchased. A gift card sold by an ABC store shall not expire until the funds on the card are
48 exhausted.

1 (b3) Barrels. – An ABC store may sell empty barrels or parts of barrels received from a
2 distiller in which spirituous liquors were aged, provided that the local board also purchased the
3 spirituous liquor aged in the barrel.

4 ...

5 (c3) Online Orders. – An ABC store may accept an online order, including payment, for
6 gift cards and alcoholic beverages sold in its store. An order for alcoholic beverages placed online
7 pursuant to this subsection shall be picked up in person at the store by the individual who placed
8 the order. An order for a gift card may be delivered digitally to the purchaser. An order placed
9 online pursuant to this subsection shall include the name and unique identifier number of the
10 individual placing the order, who shall be at least 21 years of age as shown on the form of
11 identification authorized pursuant to G.S. 18B-302(d)(1) and otherwise legally authorized to
12 purchase alcoholic beverages. An employee of the ABC store shall confirm that ~~the an~~ online
13 order for alcoholic beverages is picked up in person at the store by the individual who placed the
14 order by verifying the individual's identification that conforms to the identifying information
15 contained in the online order.

16 "

17 **SECTION 10.(b)** This section becomes effective October 1, 2023.

18 **ALLOW LOCAL BOARDS TO SELL PRODUCTS BELOW THE DISTILLER'S PRICE**

19 **SECTION 11.** Article 7 of Chapter 18B of the General Statutes is amended by adding
20 a new section to read:

21 **"§ 18B-708. Sale of certain spirituous liquors below distiller's price.**

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

29 (b) If a distillery requests to be notified if its products are authorized for pricing below
30 the distiller's price pursuant to this section, the Commission shall notify the distiller of the product
31 and the local board for which the reduced pricing is authorized within 24 hours of the
32 authorization. The Commission shall notify the local board upon authorization if the distillery
33 has requested to be notified. The distillery shall have the right of first refusal to purchase any of
34 the distillery's products that a local board requests to sell pursuant to this section for the price
35 authorized by the Commission for two business days prior to the reduction of the retail price in
36 the ABC store. If the distillery has not purchased the products within two business days after
37 being notified of the reduced pricing by the Commission, the local board may reduce the retail
38 price. If the distillery has not requested to be notified if its products are authorized for pricing
39 below the distiller's price pursuant to this section, the local board may reduce the retail price
40 immediately upon authorization by the Commission."

41 **AMEND ELIGIBILITY FOR ALCOHOLIC BEVERAGE SALES ON TRAINS**

42 **SECTION 12.** G.S. 18B-108 reads as rewritten:

43 **"§ 18B-108. Sales on trains.**

44 Alcoholic beverages may be sold on railroad trains in this State upon compliance with Article
45 2C of Chapter 105 of the General Statutes. Malt beverages, unfortified wine, and fortified wine
46 may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or
47 agent of a rail line that carries at least 60,000 passengers ~~annually~~ annually or is at least 100 miles
48 long and connects to the federal rail network."
49
50
51

1 **ALLOW SALE OF TWO MIXED BEVERAGES AT SPIRITUOUS LIQUOR SPECIAL**
 2 **EVENTS**

3 **SECTION 13.** G.S. 18B-1114.7(b1) reads as rewritten:

4 "(b1) General Limitations on Sales of Mixed Beverages. – The sale of mixed beverages in
 5 conjunction with a consumer tasting under a spirituous liquor special event permit is subject to
 6 the following limitations:

- 7 (1) The sale of mixed beverages in conjunction with a consumer tasting is not
 8 authorized at shopping malls, street festivals, holiday festivals, or balloon
 9 races.
 10 (2) The mixed beverages shall contain only spirituous liquor distilled or produced
 11 at the distillery.
 12 (3) The permit holder or the permit holder's authorized agent shall conduct the
 13 sale of mixed beverages, and the permit holder shall be solely responsible for
 14 any violations of this Chapter occurring in connection with the event.
 15 (4) The permit holder or the permit holder's authorized agent may only sell mixed
 16 beverages containing products from one distillery per booth, kiosk, or display.
 17 (5) The mixed beverage shall be prepared only by either (i) the permit holder or
 18 the permit holder's authorized agent conducting the consumer tasting or (ii) an
 19 employee of the permit holder or the permit holder's authorized agent
 20 conducting the consumer tasting who is at least 21 years of age.
 21 (6) The permit holder or the permit holder's authorized agent shall not knowingly
 22 sell more than ~~one mixed beverage~~ two mixed beverages to a customer per
 23 calendar day, per distillery.
 24 (7) The permit holder or the permit holder's authorized agent shall not sell or serve
 25 mixed beverages to any consumer who is visibly intoxicated.
 26 (8) The permit holder or the permit holder's authorized agent shall not sell or serve
 27 mixed beverages to any consumer under 21 years of age. The person preparing
 28 the mixed beverage shall be responsible for verifying the age of the consumer
 29 being served by checking the identification of the consumer.
 30 (9) The sale of mixed beverages shall not be allowed unless the venue is located
 31 in a jurisdiction that has approved the sale of mixed beverages.
 32 (10) Mixed beverages may not be sold between the hours of 2:00 A.M. and 7:00
 33 A.M., except that on Sundays mixed beverages may not be sold until 12:00
 34 noon unless otherwise authorized by local ordinance pursuant to
 35 G.S. 153A-145.7 or G.S. 160A-205.3."
 36

37 **TRANSITION PERIOD FOR ABC PERMITTEE OWNERSHIP; SAFE HARBOR AND**
 38 **LATE RENEWAL FEES; AND TEMPORARY PERMIT CHANGES**

39 **SECTION 14.(a)** G.S. 18B-903 reads as rewritten:

40 **"§ 18B-903. Duration of permit; renewal and transfer.**

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

- 43 (1) On-premises and off-premises malt beverage, unfortified wine, and fortified
 44 wine permits; culinary permits; and all permits listed in G.S. 18B-1100 shall
 45 remain valid ~~indefinitely;~~ indefinitely.
 46 (2) Limited special occasion permits shall be valid for 48 hours before and after
 47 the occasion for which the permit was ~~issued;~~ issued.
 48 (3) Special one-time permits issued under G.S. 18B-1002 shall be valid for the
 49 period stated on the ~~permit;~~ permit.
 50 (4) Temporary permits issued under G.S. 18B-905 shall be valid for 90 ~~days;~~
 51 and days. After 90 days, a temporary permit shall no longer be deemed a

1 temporary permit and shall be deemed to have been issued under either
2 subsection (a)(1) or (a)(5) of this section, as applicable, and shall remain valid
3 pursuant to the applicable subsection.

4 (5) All other ABC permits shall be valid for one year, from May 1 to April 30.

5 ...

6 (b3) Safe Harbor; Late Fees. – Notwithstanding subsection (a) of this section, the
7 Commission shall not revoke a permit for failure to pay a renewal application fee or an annual
8 registration and inspection fee until June 1 of each year. No later than five business days after
9 April 30 of each year, the Commission shall notify permittees who have not paid any required
10 renewal application fees or annual registration and inspection fees as of April 30. The
11 Commission shall charge a late fee of twenty-five percent (25%) of the renewal application fee
12 or registration and inspection fee for a permit for which the renewal application fee or registration
13 and inspection fee is submitted after April 30.

14 (c) Change in Ownership. –

15 (1) Except as provided in subdivision (2) of this subsection, all permits for an
16 establishment shall automatically expire and shall be surrendered to the
17 Commission if:

18 a. Ownership of the establishment changes; or

19 b. There is a change in the membership of the firm, association or
20 partnership owning the establishment, involving the acquisition of a
21 twenty-five percent (25%) or greater share in the firm, association or
22 partnership by someone who did not previously own a twenty-five
23 percent (25%) or greater share; or

24 c. Twenty-five percent (25%) or more of the stock of the corporate
25 permittee owning the establishment is acquired by someone who did
26 not previously own twenty-five percent (25%) or more of the stock.

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

38 a. The person shall provide written or electronic notice to the
39 Commission of the name of the non-permitted person, the name and
40 address of the permitted establishment, and the date of the change in
41 ownership. The person may not operate the establishment as provided
42 in this subdivision until the person has provided notice to the
43 Commission. The Commission shall not require any additional
44 documentation besides the written or electronic notice to satisfy this
45 requirement. The prior permittee shall not be liable for any acts or
46 omissions of the non-permitted person operating the establishment.
47 Any alcoholic beverage offenses committed by the person or any
48 actions taken by the Commission to revoke or suspend the permit
49 based on the acts or omissions of the person operating the
50 establishment shall not preclude the prior permittee from receiving an
51 ABC permit for a different establishment.

- 1 b. The person shall submit a new permit application to the Commission
2 within 60 days after the change of ownership. If the person does not
3 apply for a new permit within 60 days, all permits for the establishment
4 shall automatically expire and shall be surrendered to the Commission.
5 If the person has applied to the applicable local government for the
6 Inspection/Zoning Compliance and Local Government Opinion forms
7 required for the application but has not received approvals or denials
8 from the local government within the 60-day period, the applicant may
9 submit a sworn affidavit with the application stating that the person
10 has applied to the local government for the Inspection/Zoning
11 Compliance and Local Government Opinion approvals in lieu of those
12 approvals. The person shall send the local government approvals or
13 denials to the Commission to within three business days of receiving
14 the approvals or denials. If the local government finds the person to be
15 in noncompliance, the person may not operate during the transition
16 period allowed by this subdivision until the establishment is brought
17 into compliance.
- 18 c. The 60-day period to file a new permit application shall only be
19 allowed once per 24 months for each establishment that holds an ABC
20 permit, unless the establishment requests and the Commission grants
21 a waiver of the 24 month requirement. The Commission shall grant a
22 waiver of the 24 month requirement if it determines that the public
23 health, safety, and welfare would not be harmed by granting the
24 waiver.
- 25 d. This subdivision shall apply only to establishments that hold ABC
26 permits that are in good standing and that have not been found
27 responsible by the Commission or a court of competent jurisdiction of
28 a gambling, assault, disorderly conduct, prostitution, or controlled
29 substances violation within 12 months prior to the date the
30 non-permitted person becomes entitled to use and control of the
31 establishment.
- 32 e. The person shall be authorized to operate the establishment as
33 successor to the prior permittee to the same extent as the predecessor
34 permittee until the Commission either issues or denies the permit
35 application submitted pursuant to sub-subdivision b. of this
36 subdivision.

37 "

38 **SECTION 14.(b)** G.S. 18B-905 reads as rewritten:

39 **"§ 18B-905. Temporary permits.**

40 When an application has been received in proper form, with the required application fee, the
41 Commission may issue a temporary permit for any of the activities for which permits are
42 authorized under G.S. 18B-1001 and 18B-1100. A temporary permit may be revoked summarily
43 by the Commission without complying with the provisions of Chapter 150B. Revocation of a
44 temporary permit or withdrawal by the Commission of a pending application by a permittee
45 possessing a temporary permit shall be effective upon service of the notice of revocation or
46 withdrawal upon the permittee at either the permittee's residence or the address given for the
47 business in the permit application or upon the expiration of ~~three working~~ five business days after
48 the notice of the revocation or withdrawal has been mailed to the permittee at either ~~his~~ the
49 permittee's residence or the address given for the business in the permit application. No further
50 notice shall be required."
51

BAR TECHNICAL CORRECTIONS

SECTION 15.(a) G.S. 18B-1000(1) reads as rewritten:

"(1) Bar. – An establishment that is primarily engaged in the business of selling alcoholic beverages for consumption on the premises. ~~A bar shall not include a brewery, winery, or distillery.~~"

SECTION 15.(b) G.S. 18B-1001, as amended by Section 5(a) of this act, reads as rewritten:

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

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

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

- a. Restaurants.
- b. Hotels.
- c. Eating establishments.
- d. Food businesses.
- e. Retail businesses.
- f. Private clubs.
- g. Convention centers.
- h. Community theatres.
- i. Breweries as authorized by subdivisions (7) and (8) of G.S. 18B-1104(a).
- j. Sports and entertainment venues.
- k. ~~Private bars.~~ Bars.
- l. The holder of a distillery permit authorized under G.S. 18B-1105.

...

(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of

1 unfortified wine in the manufacturer's original container for consumption off
2 the premises, and (iii) the retail sale of unfortified wine dispensed from a tap
3 connected to a pressurized container utilizing carbon dioxide or similar gas
4 into a cleaned and sanitized container that is filled or refilled and sealed for
5 consumption off the premises and that identifies the permittee and the date the
6 container was filled or refilled. The permit also authorizes the permittee to
7 transfer unfortified wine, not more than four times per calendar year, to
8 another on-premises unfortified wine permittee that is under common
9 ownership or control as the transferor. Except as authorized by this
10 subdivision, transfers of wine by on-premises unfortified wine permittees,
11 purchases of wine by a retail permittee from another retail permittee for the
12 purpose of resale, and sale of wine by a retail permittee to another retail
13 permittee for the purpose of resale are unlawful. In addition, a particular brand
14 of wine may be transferred only if both the transferor and transferee are
15 located within the territory designated between the winery and the wholesaler
16 on file with the Commission. Prior to or contemporaneous with any such
17 transfer, the transferor shall notify each wholesaler who distributes the
18 transferred product of the transfer. The notice shall be in writing or verifiable
19 electronic format and shall identify the transferor and transferee, the date of
20 the transfer, quantity, and items transferred. The holder of the permit is
21 authorized to ship unfortified wine in closed containers to individual
22 purchasers inside and outside the State. Orders received by a winery by
23 telephone, Internet, mail, facsimile, or other off-premises means of
24 communication shall be shipped pursuant to a wine shipper permit and not
25 pursuant to this subdivision. The permit may be issued for any of the
26 following:

- 27 a. Restaurants.
- 28 b. Hotels.
- 29 c. Eating establishments.
- 30 d. Private clubs.
- 31 e. Convention centers.
- 32 f. Cooking schools.
- 33 g. Community theatres.
- 34 h. Wineries.
- 35 i. Wine producers.
- 36 j. Retail businesses.
- 37 k. Sports and entertainment venues.
- 38 ~~l. Private bars.~~ Bars.
- 39 m. The holder of a distillery permit authorized under G.S. 18B-1105.
- 40 n. Breweries.

41 Additionally, an on-premises unfortified wine permit authorizes a permittee
42 that is a restaurant, hotel, private club, bar, brewery, winery, or wine producer
43 to sell at retail single-serving unfortified wine drinks for consumption off the
44 premises, including delivery by the permittee or a delivery service permittee.
45 Single-serving unfortified wine drinks sold for consumption off the premises
46 must be sold with food and shall be packaged in a container with a secure lid
47 or cap and in a manner designed to prevent consumption without removal of
48 the lid or cap. The container shall be no greater than 24 fluid ounces.
49 Notwithstanding G.S. 20-138.7, the transportation of single-serving
50 unfortified wine drinks shall not be unlawful if the container continues to be
51 sealed and is in the passenger area of a motor vehicle. Notwithstanding

1 G.S. 18B-1010, the sale of more than two single-serving unfortified wine
 2 drinks at one time shall not be unlawful if the single-serving unfortified wine
 3 drinks are sold for delivery or consumption off the permittee's premises. No
 4 single-serving unfortified wine by drink ordered for off-premises
 5 consumption shall be provided to any person other than the purchaser of the
 6 single-serving unfortified wine drink, except that in the case of delivery, the
 7 delivery service permittee through its employees or agents may provide the
 8 single-serving unfortified wine drink to a person other than the purchaser if
 9 the permittee or the permittee's employees or agents verify that the person is
 10 over 21 years of age using age verification software requiring the recipient to
 11 provide a form of photographic identification authorized in
 12 G.S. 18B-302(d)(1).

13 ...
 14 (5)

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

- a. Restaurants.
- b. Hotels.
- c. Private clubs.
- d. Community theatres.
- e. Wineries.
- f. Convention centers.
- g. ~~Private bars.~~ Bars.
- h. The holder of a distillery permit authorized under G.S. 18B-1105.
- i. Sports and entertainment venues.
- j. Breweries.

Additionally, an on-premises fortified wine permit authorizes a permittee that
 is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail
 single-serving unfortified wine drinks for consumption off the premises,
 including delivery by the permittee or a delivery service permittee. Single-

1 serving fortified wine drinks sold for consumption off the premises must be
 2 sold with food and shall be packaged in a container with a secure lid or cap
 3 and in a manner designed to prevent consumption without removal of the lid
 4 or cap. The container shall be no greater than 24 fluid ounces.
 5 Notwithstanding G.S. 20-138.7, the transportation of single-serving fortified
 6 wine drinks shall not be unlawful if the container continues to be sealed and
 7 is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010,
 8 the sale of more than two single-serving fortified wine drinks at one time shall
 9 not be unlawful if the single-serving fortified wine drinks are sold for delivery
 10 or consumption off the permittee's premises. No single-serving fortified wine
 11 by drink ordered for off-premises consumption shall be provided to any person
 12 other than the purchaser of the single-serving fortified wine drink, except that
 13 in the case of delivery, the delivery service permittee through its employees
 14 or agents may provide the single-serving unfortified wine drink to a person
 15 other than the purchaser if the permittee or the permittee's employees or agents
 16 verify that the person is over 21 years of age using age verification software
 17 requiring the recipient to provide a form of photographic identification
 18 authorized in G.S. 18B-302(d)(1).

19 ...

20 (7) Brown-Bagging Permit. – A brown-bagging permit authorizes each individual
 21 patron of an establishment, with the permission of the permittee, to bring up
 22 to eight liters of fortified wine or spirituous liquor, or eight liters of the two
 23 combined, onto the premises and to consume those alcoholic beverages on the
 24 premises. The permit may be issued for any of the following:
 25 a. Restaurants.
 26 b. Hotels.
 27 c. Private clubs.
 28 d. Community theatres.
 29 e. Congressionally chartered veterans organizations.
 30 f. ~~Private bars.~~ Bars.

31 (8) Special Occasion Permit. – A special occasion permit authorizes the host of a
 32 reception, party or other special occasion, with the permission of the
 33 permittee, to bring fortified wine and spirituous liquor onto the premises of
 34 the business and to serve the same to his guests. The permit may be issued for
 35 any of the following:
 36 a. Restaurants.
 37 b. Hotels.
 38 c. Eating establishments.
 39 d. Private clubs.
 40 e. Convention centers.
 41 f. ~~Private bars.~~ Bars.
 42 g. Sports and entertainment venues.

43 ...

44 (10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail
 45 sale of mixed beverages for consumption on the premises. The permit also
 46 authorizes a mixed beverages permittee to obtain an antique spirituous liquor
 47 permit under subdivision (20) of this section and to use for culinary purposes
 48 spirituous liquor lawfully purchased for use in mixed beverages. The permit
 49 may be issued for any of the following:
 50 a. Restaurants.
 51 b. Hotels.

- c. Private clubs.
- d. Convention centers.
- e. Community theatres.
- f. Nonprofit organizations.
- g. Political organizations.
- h. Sports and entertainment venues.
- i. ~~Private bars.~~Bars.
- j. The holder of a distillery permit authorized under G.S. 18B-1105.
- k. Breweries.
- l. Wineries.

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

...."

SECTION 15.(b) G.S. 130A-247(1) reads as rewritten:

"(1) ~~"Bar" is as defined in G.S. 18B-1000(1).~~means an establishment with a permit to sell alcoholic beverages pursuant to subdivision (1), (3), (5), or (10) of G.S. 18B-1001 and that does not prepare or serve food as defined in this Part other than beverage garnishes, ice, or food that does not require time or temperature control for safety as set out in G.S. 130A-248(a) and rules adopted to implement that section, and that is in an unopened original commercial package, except for food used as a beverage garnish."

SECTION 15.(c) G.S. 130A-250(4a) reads as rewritten:

"(4a) ~~Bars.~~Bars as defined in G.S. 130A-247(1)."

SECTION 15.(d) This section becomes effective August 1, 2023.

ESTABLISH MALT BEVERAGE SHOP PERMIT

SECTION 16.(a) G.S. 18B-300.1(b) reads as rewritten:

"(b) Definitions. – The following definitions apply in this section:

- (1) Customer. – A person who purchases an alcoholic beverage from a permittee that is in a social district.
- (2) Non-permittee business. – A business that is located in a social district and does not hold any ABC permit.

- 1 (3) Permittee. – An establishment holding any of the following permits issued by
2 the Commission:
3 a. An on-premises malt beverage permit issued pursuant to
4 G.S. 18B-1001(1).
5 b. An on-premises unfortified wine permit issued pursuant to
6 G.S. 18B-1001(3).
7 c. An on-premises fortified wine permit issued pursuant to
8 G.S. 18B-1001(5).
9 d. A mixed beverages permit issued pursuant to G.S. 18B-1001(10).
10 e. A wine shop permit issued pursuant to G.S. 18B-1001(16).
11 f. A distillery permit issued pursuant to G.S. 18B-1100(5).
12 g. A malt beverage shop permit issued pursuant to G.S. 18B-1001(16a)."

13 **SECTION 16.(b)** G.S. 18B-902(d) is amended by adding a new subdivision to read:
14 (52) Malt beverage shop permit. – \$100.00.

15 **SECTION 16.(c)** G.S. 18B-903(b) reads as rewritten:

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

23 **SECTION 16.(d)** G.S. 18B-1001 is amended by adding a new subdivision to read:

24 "(16a) Malt Beverage Shop Permit. – A malt beverage shop permit authorizes (i) the
25 retail sale of malt beverages, unfortified wine, and fortified wine in the
26 manufacturer's original container for consumption off the premises, (ii) the
27 retail sale of malt beverages dispensed from a tap connected to a pressurized
28 container utilizing carbon dioxide or similar gas in a cleaned and sanitized
29 container that is filled or refilled and sealed for consumption off the premises
30 and that identifies the permittee and the date the container was filled or
31 refilled, (iii) malt beverage tastings on the premises conducted and supervised
32 by the permittee in accordance with subdivision (18) of this section. It also
33 authorizes the holder of the permit to ship malt beverages, unfortified wine,
34 and fortified wine in closed containers to individual purchasers inside and
35 outside the State. The permit may be issued for retail businesses whose
36 primary purpose is selling malt beverages for consumption off the premises
37 and regularly and customarily educating consumers through tastings, classes,
38 and seminars about the selection, serving, and storing of malt beverages. The
39 holder of the permit is authorized to sell malt beverages for consumption on
40 the premises, provided that the sale of malt beverages, combined, for
41 consumption on the premises does not exceed forty percent (40%) of the
42 establishment's total sales for any 30-day period. The holder of a malt
43 beverage tasting permit not engaged in the preparation or sale of food on the
44 premises is not subject to Part 6 of Article 8 of Chapter 130A of the General
45 Statutes."

46
47 **ESTABLISH TWO NEW PERMITS AND REGULATE OUTSIDE ALCOHOL AT**
48 **ADULT LIVE ENTERTAINMENT BUSINESSES**

49 **SECTION 17.(a)** G.S. 18B-1001 is amended by adding two new subdivisions to
50 read:

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

9 (25) Bring Your Own Beverage Permit. – A permit issued under this subdivision
10 may be issued to an adult live entertainment business as defined in G.S. 14-
11 202.10. This permit authorizes the permittee to allow patrons to bring closed
12 containers of malt beverages and unfortified wine onto the premises and
13 consume the malt beverages and unfortified wine on the premises."

14 **SECTION 17.(b)** G.S. 18B-902 is amended by adding two new subsections to read:

15 "(53) Cotenant permit – \$50.00.

16 (54) Bring your own beverage permit. – \$100.00."

17 **SECTION 17.(c)** Article 3 of Chapter 18B of the General Statutes is amended by
18 adding a new section to read:

19 "**§ 18B-301.1. Possession and consumption at adult live entertainment businesses.**

20 It shall be unlawful to consume, or to allow the consumption of, alcoholic beverages at any
21 adult live entertainment business as defined in G.S. 14-202.10 except pursuant to one or more
22 permits allowing the sale or consumption of alcohol issued pursuant to this Chapter."

23 **SECTION 17.(d)** This section becomes effective August 1, 2023.

24
25 **ESTABLISH MOBILE BAR SERVICES PERMIT**

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

27 "(55) Mobile bar services permit – \$500.00."

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

29 "(12a) Mobile Bar Services Permit. – A mobile bar services permit may be
30 issued to a business that provides bartending services for events. The
31 permit authorizes the permittee to bring malt beverages, unfortified
32 wine, fortified wine, and spirituous liquor onto the premises of a
33 business that is not an ABC permittee and to serve the alcoholic
34 beverages to guests at the event. The permittee shall purchase malt
35 beverages from a malt beverage wholesaler and unfortified wine and
36 fortified wine from a wine wholesaler. The permittee shall purchase
37 spirituous liquor from an ABC store that is designated as a mixed
38 beverage ABC store operated by any local board operating in the same
39 county where the permittee's principal office is located. The permittee
40 may not serve alcoholic beverages pursuant to a mobile bar services
41 permit on the premises of any location owned or possessed by the
42 permittee. The permittee shall notify the Commission, in writing, of
43 the location of any event where the permittee will serve alcoholic
44 beverages not less than one week before the event and shall have the
45 permission of the owner or possessor of the property on which the
46 event is to be held. Any person serving alcoholic beverages at the event
47 shall be at least 21 years of age. Alcoholic beverages may be
48 transported by the mobile bar services permit holder to the premises
49 of the event no earlier than 8:00 A.M. At the conclusion of the event,
50 all alcoholic beverages must be removed from the premises no later
51 than 12:00 noon of the following day. A limited special occasion

1 permit shall not be required for an event at which alcoholic beverages
2 are exclusively provided by the holder of a mobile bar services permit.
3 The holder of a mobile bar services permit may bring alcoholic
4 beverages onto the premises and serve the alcoholic beverages at an
5 event regardless of whether there is a charge or fee for guests to attend
6 the event. This permit does not allow the retail sale of individual
7 alcoholic beverages to guests at an event."

8 **SECTION 18.(c)** G.S. 18B-804(b)(8), as amended by Section 1(b) of this act reads
9 as rewritten:

10 "(8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar
11 services permittee for resale in mixed beverages, a charge of twenty dollars
12 (\$20.00) on each four liters and a proportional sum on lesser quantities. This
13 subdivision shall not apply to premixed cocktails sold to a mixed beverage
14 permittee in a closed package for resale in or from the closed package, and a
15 mixed beverages tax stamp shall not be required on these closed packages."

16 **SECTION 18.(d)** G.S. 18B-902(h) reads as rewritten:

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

37 **SECTION 18.(e)** G.S. 18B-903(b2) reads as rewritten:

38 "(b2) Recycling Plan Required. – Each person holding an on-premises malt beverage
39 permit, on-premises unfortified wine permit, on-premises fortified wine permit, or a mixed
40 beverages permit shall submit, along with the annual registration or renewal application, either a
41 current plan for the collection and recycling of all recyclable beverage containers of all beverages
42 sold at retail on the premises, or an application for a waiver pursuant to G.S. 18B-902(h). Each
43 person holding a mobile bar services permit shall submit, along with the annual renewal
44 application, either a current plan for the collection and recycling of all recyclable beverage
45 containers of all beverages to be served at an event pursuant to the permit, or an application for
46 a waiver pursuant to G.S. 18B-902(h)."

47 **SECTION 18.(f)** This section becomes effective August 1, 2023.

48 **COMMUNITY THEATRE CLARIFICATION**

49 **SECTION 19.** G.S. 18B-1000(1a) reads as rewritten:
50

1 "(1a) Community theatre. – An establishment owned and operated by a bona fide
2 nonprofit organization that is engaged solely in the business of sponsoring or
3 presenting amateur or professional ~~theatrical~~performing arts events to the
4 public. A permit issued for a community theatre is valid only during regularly
5 scheduled ~~theatrical~~performing arts events sponsored by such nonprofit
6 organization."
7

8 **ADD TWO MEMBERS TO THE ABC COMMISSION**

9 **SECTION 20.(a)** G.S. 18B-200 reads as rewritten:

10 **"§ 18B-200. North Carolina Alcoholic Beverage Control Commission.**

11 (a) Creation of Commission; compensation. – The North Carolina Alcoholic Beverage
12 Control Commission is created to consist of a chairman and ~~two~~four associate members. The
13 Commission shall be administratively located within the Department of Public Safety but shall
14 exercise its powers independently of the Secretary of Public Safety. The chairman shall devote
15 his or her full time to his or her official duties and receive a salary fixed by the General Assembly
16 in the Current Operations Appropriations Act. The associate members shall be compensated for
17 per diem, subsistence and travel as provided in Chapter 138 of the General Statutes.

18 (b) Appointment of Members. – ~~Members~~The chairman of the Commission and two
19 associate members shall be appointed by the Governor to serve at ~~his pleasure~~the pleasure of the
20 Governor. One associate member shall be appointed by the President Pro Tempore of the Senate
21 to serve at the pleasure of the President Pro Tempore and one associate member shall be
22 appointed by the Speaker of the House of Representatives to serve at the pleasure of the Speaker.

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

27 (d) Employees. – The Commission may authorize the chairman to employ, discharge, and
28 otherwise supervise subordinate personnel of the Commission. The Commission shall appoint at
29 least one employee to make investigations, hold hearings requested under G.S. 18B-1205, and
30 represent the Commission in contested case hearings or perform any other duties authorized by
31 Chapter 150B."

32 **SECTION 20.(b)** This section becomes effective October 1, 2023.

34 **REQUIRE ALCOHOL LAW ENFORCEMENT TO NOTIFY PERMIT HOLDER OF** 35 **VIOLATIONS**

36 **SECTION 21.(a)** G.S. 18B-500(b1) reads as rewritten:

37 "(b1) Authority. – Alcohol law-enforcement agents have authority as peace officers to
38 execute criminal process, respond to and take enforcement action for any crime of violence or
39 breach of the peace, and any additional duties as may from time to time be directed by the
40 Governor or the Secretary of Public Safety when needed for security purposes at a public event
41 or to protect persons or property because of a disaster or state of emergency. If an alcohol
42 law-enforcement agent issues a citation for a criminal violation to an employee of an
43 establishment who is not the named holder of an ABC permit for the establishment, the Division
44 of Alcohol Law Enforcement shall deliver a copy of the criminal citation to the named holder of
45 the permit within three business days of issuance of the criminal citation or send a copy of the
46 criminal citation by registered mail to the named holder of the permit within five business days
47 of issuance of the criminal citation."

48 **SECTION 21.(b)** This section becomes effective October 1, 2023.

50 **ESTABLISH DISTILLERY ESTATE DISTRICTS**

51 **SECTION 22.(a)** G.S. 18B-1006 is amended by adding a new subsection to read:

1 "(r) Distillery Estate Districts. –

- 2 (1) For purposes of this subsection, "distillery estate district" means a tract of real
3 property or multiple contiguous or adjacent tracts of real property, separated
4 only by a river, lake, or public or private road, on which a distillery holding a
5 permit under G.S. 18B-1105, a winery holding an unfortified winery permit
6 under G.S. 18B-1101, and at least three other establishments holding mixed
7 beverages permits are located. All of the real property, distillery, winery, and
8 establishments holding mixed beverage permits shall be under common
9 ownership and control. The premises of the distillery shall include all
10 buildings and facilities in which the distillery conducts activities authorized
11 by G.S. 18B-1105. For purposes of this subsection, "common ownership and
12 control" includes ownership or control by a parent or affiliate entity of the
13 distillery. A distillery or its parent or affiliate entity shall notify the
14 Commission of the boundaries of the real property comprising the distillery
15 estate district and provide to the Commission a list of the ABC permittees
16 under common ownership and control that are located in the distillery estate
17 district prior to engaging in activities authorized under this subsection.
18 (2) Notwithstanding any other provision of law, a mixed beverages permittee
19 located in a distillery estate district and under common ownership and control
20 with the distillery in the distillery estate district may sell spirituous liquor
21 produced at the distillery located in the distillery estate district in mixed
22 beverages as if it were being sold at the distillery. Spirituous liquor sold
23 pursuant to this subdivision shall be listed as a code item for sale in the State
24 but shall not be required to be sent to the State warehouse or be stamped with
25 a mixed beverages tax stamp.
26 (3) Notwithstanding any other provision of law, a distillery in a distillery estate
27 district may, without approval from the Commission, conduct consumer
28 tastings of spirituous liquor produced at the distillery subject to the
29 requirements of G.S. 18B-1114.7(b) anywhere in the distillery estate district,
30 including outdoors and on the premises of another ABC permittee located in
31 the distillery estate district.
32 (4) Notwithstanding any other provision of law, on- and off-premises unfortified
33 wine permittees located in a distillery estate district and under common
34 ownership and control with the distillery in the distillery estate district may
35 sell bottles of spirituous liquor produced at the distillery at retail for
36 consumption off the premises as if those bottles were being sold in the
37 distillery following a tour. Sales under this subdivision may occur between
38 the hours of 9:00 A.M. and 9:00 P.M. on Monday through Saturday of each
39 week, from 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M. to 9:00
40 P.M. on each of the following holidays that do not fall on a Sunday: New
41 Year's Day, Fourth of July, Labor Day, and Thanksgiving Day. Spirituous
42 liquor sold under this subdivision shall (i) be listed as a code item for sale in
43 the State, (ii) be sold at the price set by the Commission for the code item
44 pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle any labeling
45 requirements set by law. The distillery shall be responsible for remitting to the
46 Department of Revenue the spirituous liquor excise tax pursuant to
47 G.S. 105-113.80 on bottles sold pursuant to this subdivision. The on- or
48 off- premises unfortified wine permittees shall be responsible for remitting to
49 the Department of Revenue the sales and use tax on bottles sold in those
50 establishments.

1 (5) No distillery, mixed beverages permittee, on-premises unfortified wine
 2 permittee, or off-premises unfortified wine permittee shall be required to
 3 obtain any additional permits to conduct the activities authorized by this
 4 subsection.

5 (6) Nothing in this subsection shall be construed to limit or otherwise affect the
 6 activities authorized by any permit held by an ABC permittee located in a
 7 distillery estate district."

8 **SECTION 22.(b)** G.S. 18B-804(b1) reads as rewritten:

9 **"§ 18B-804. Alcoholic beverage pricing.**

10 "(b1) Price of Spirituous Liquor Sold at ~~Distillery~~Distillery or Distillery Estate District –
 11 When the holder of a distillery permit sells spirituous liquor distilled at the distillery pursuant to
 12 G.S. 18B-1105(a)(4), or an on- or off-premises unfortified wine permittee sells spirituous liquor
 13 in a distillery estate district, the retail price of the spirituous liquor shall be the uniform State
 14 price set by subsection (a) of this section. However, the holder of the ~~distillery~~-permit shall not
 15 be required to remit the components of the price set forth by subdivisions (2), (3), (5), (6), (6a),
 16 (6b), and (7) of subsection (b) of this section."

17 **SECTION 22.(c)** G.S. 105-113.80(c) reads as rewritten:

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

25 **SECTION 22.(d)** This section becomes effective August 1, 2023.

26
 27 **WHOLESALE DISTRIBUTION CENTERS**

28 **SECTION 23.(a)** G.S. 18B-1106 reads as rewritten:

29 **"§ 18B-1106. Authorization of wine importer permit.**

30 (a) Authorization. – The holder of a wine importer permit ~~may~~may do all of the
 31 following:

- 32 (1) Import fortified and unfortified wines from outside the United States in closed
 33 ~~containers;~~containers.
 34 (2) Store those ~~wines;~~wines.
 35 (3) Sell those wines to wine wholesalers for purposes of resale.
 36 (4) Receive fortified and unfortified wine into the State for storage, sale, shipment
 37 or transshipment to private or public entities or establishments of other states
 38 or nations, subject to the laws thereof.

39 (b) Distribution Agreements. – Wine distribution agreements are governed by Article 12
 40 of this Chapter.

41 (c) The holder of a wine importer permit may import and sell to wholesalers only wine
 42 for which it is a primary American source of supply. To be considered a primary American source
 43 of supply, a wine importer must establish that it has lawfully purchased the wine from the winery,
 44 or from an agent of the winery, and by written contract or otherwise has been authorized by the
 45 winery to distribute the wine to wholesalers in the United States."

46 **SECTION 23.(b)** G.S. 18B-1108 reads as rewritten:

47 **"§ 18B-1108. Authorization of malt beverages importer permit.**

48 The holder of a malt beverages importer permit ~~may~~may do all of the following:

- 49 (1) Import malt beverages from outside the United States in closed
 50 ~~containers;~~containers.
 51 (2) Store those malt ~~beverages;~~beverages.

- (3) Sell those malt beverages to malt beverage wholesalers for purposes of resale.
- (4) Receive malt beverages into the State for storage, sale, shipment or transshipment to private or public entities or establishments of other states or nations, subject to the laws thereof."

SECTION 23.(c) G.S. 18B-1119 reads as rewritten:

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

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

(b) Repealed by Session Laws 2018-100, s. 7(b), effective June 26, 2018.

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

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

- (1) The wholesaler also possesses a wine importer permit or a malt beverages importer permit and does not directly or through an affiliated entity also possess a nonresident wine vendor permit or a nonresident malt beverages vendor permit issued pursuant to this Chapter.
- (2) The wholesaler is an importer in another state, provided such malt beverages, unfortified wine, or fortified wine are transferred to it through an unaffiliated and independent third party."

SECTION 23.(d) G.S. 18B-1105.1 reads as rewritten:

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

The holder of a liquor importer/bottler permit may:

...

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

MINIMUM PRICES FOR SPIRITUOUS LIQUOR

SECTION 24.(a) G.S. 18B-804 is amended by adding a new subsection to read:

"(e) Minimum Price of Spirituous Liquor. –

- (1) The distiller's price for a container of a particular size shall not be lower than as provided in the following table:

<u>Container Size</u>	<u>Minimum Price</u>
<u>1.75 Liters</u>	<u>\$12.95</u>
<u>1.0 Liters</u>	<u>8.95</u>
<u>750 Milliliters</u>	<u>5.95</u>
<u>375 Milliliters</u>	<u>3.95</u>
<u>200 Milliliters</u>	<u>2.95</u>
<u>100 Milliliters</u>	<u>1.95</u>
<u>Cans (single-serving)</u>	<u>1.95</u>
<u>50 Milliliters</u>	<u>0.95.</u>

- (2) The Commission may adopt rules to set higher minimum distiller's prices by container size for individual categories of spirituous liquor."

SECTION 24.(b) This section becomes effective February 1, 2024.

PRICING FLEXIBILITY LOCAL OPTION

SECTION 25.(a) Article 3 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-300.3. Pricing flexibility local option.

Subject to the adoption of an ordinance pursuant to G.S. 153A-145.7A or G.S. 160A-205.6, the holder of an on-premises malt beverage permit, an on-premises unfortified wine permit, an on-premises fortified wine permit, a mixed beverages permit, a wine shop permit, a malt beverage shop permit, or a distillery permit, located in the local government that adopted the ordinance may do any of the following, for any period of time:

- a. Sell an alcoholic beverage at a price that is different from the usual or established price charged for the alcoholic beverage.
- b. Sell more than one alcoholic beverage to a patron for a single price.
- c. Establish a single price based upon the required purchase of more than one alcoholic beverage.
- d. Offer a meal and alcoholic beverage at a single total price, whether or not the total price reflects a reduced price of the alcoholic beverage.
- e. Advertise the price and type of alcoholic beverages via newspapers, radio, television, or other mass media.

This section shall not apply to the sale of spirituous liquor sold at a distillery in closed containers to visitors who tour the distillery for consumption off the premises."

SECTION 25.(b) Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ 153A-145.7A. Allow certain alcohol sales and advertising.

A county may adopt an ordinance authorizing holders of on-premises ABC permits in the county to engage in any of the activities allowed under G.S. 18B-300.3. The ordinance may not limit or amend the provisions of G.S. 18B-300.3."

SECTION 25.(c) Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-205.6. Allow certain alcohol sales and advertising.

A city may adopt an ordinance authorizing holders of on-premises ABC permits in the city to engage in any of the activities allowed under G.S. 18B-300.3. The ordinance may not limit or amend the provisions of G.S. 18B-300.3."

SECTION 25.(d) The Alcoholic Beverage Control Commission shall amend its rules consistent with the provisions of this act. The Commission may use the procedure set forth in G.S. 150B-21.1 to amend any rules as required under this section.

SECTION 25.(e) Subsections (a) through (c) of this section become effective August 1, 2023. The remainder of this section is effective when it becomes law.

ESTABLISH CATAWBA INDIAN NATION TRIBAL ALCOHOLIC BEVERAGE CONTROL COMMISSION

SECTION 26.(a) G.S. 18B-109(b) reads as rewritten:

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

SECTION 26.(b) G.S. 18B-112, as amended by Section 3.(b) of this act, reads as rewritten:

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

1 (a) Application of This Chapter. – The Eastern Band of Cherokee Indians, a federally
2 recognized Indian tribe and sovereign nation, and the Catawba Indian Nation, a federally
3 recognized Indian tribe and sovereign nation, shall be exempt from the provisions of this Chapter,
4 except for those made applicable by this section. The Eastern Band of Cherokee Indians ~~tribe and~~
5 the Catawba Indian Nation shall adopt by ordinance the provisions of this Chapter which are
6 made applicable to ~~the each~~ tribe by this section, and such ordinance shall be approved by the
7 Secretary of the United States Department of the Interior and published in the Federal Register
8 accordingly. ~~The Eastern Band of Cherokee Indians~~ Each tribe shall hold lawful tribal elections
9 as set out in G.S. 18B-600(a), and if the result of such election authorizes the activity upon which
10 a vote was held, the activity shall be deemed authorized by this section. For the purposes of this
11 section, the tribal alcoholic beverage control commission shall possess the same powers and
12 authority conveyed upon the North Carolina Alcoholic Beverage Control Commission by any
13 section of this Chapter made applicable to the tribe by this section.

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

17 ...

18 (8) Article 11. – Commercial Activity, as clarified by the following:

- 19 a. The tribal alcoholic beverage control commission may issue
20 commercial activity permits to any qualifying applicant that
21 establishes a commercial business wholly on Indian Country lands and
22 shall have sole enforcement authority over any permittee receiving a
23 permit from the tribal alcoholic beverage control commission only to
24 the extent the regulated conduct occurs on Indian Country lands.
- 25 b. The Eastern Band of Cherokee Indians and the Catawba Indian Nation
26 shall recognize any permit issued by the North Carolina Alcoholic
27 Beverage Control Commission allowing commercial activity in the
28 same manner as if such permit was issued by the tribal alcoholic
29 beverage control commission. The North Carolina Alcoholic Beverage
30 Control Commission shall recognize any commercial activity permit
31 issued by the tribal alcoholic beverage commission in the same manner
32 as if the permit were issued by the North Carolina Alcoholic Beverage
33 Control Commission.
- 34 c. The North Carolina Alcoholic Beverage Control Commission shall
35 retain exclusive enforcement authority over all permits it issues to
36 commercial activity permittees for violations of its rules or this
37 Chapter.

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

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

45 ...

46 (c) Alcoholic Beverages Which May Be Sold. – No alcoholic beverage may be sold on
47 Indian Country lands under the jurisdiction of the Eastern Band of Cherokee Indians or the
48 Catawba Indian Nation pursuant to this section which has not been approved for sale in this State
49 by the North Carolina Alcoholic Beverage Control Commission.

50 (d) Establishment of ~~a Tribal Commission~~ Commissions. – In accordance with the
51 provisions of 18 U.S.C. § 1161, the Eastern Band of Cherokee Indians ~~is~~ and the Catawba Indian

1 Nation are each authorized to establish a tribal alcoholic beverage control commission to regulate
 2 the purchase, possession, consumption, sale, and delivery of alcoholic beverages on any land
 3 designated as Indian Country pursuant to 18 U.S.C. § 1151 under the jurisdiction of the Eastern
 4 Band of Cherokee Indians. ~~The Each~~ tribal commission shall have exclusive authority to issue
 5 ABC permits to retail and commercial establishments located wholly on Indian Country lands
 6 under the jurisdiction of the ~~Eastern Band of Cherokee Indians~~tribe and to regulate the purchase,
 7 possession, consumption, sale, and delivery of alcoholic beverages at permitted outlets and
 8 premises. Permits issued by the tribal commission pursuant to this section shall be deemed issued
 9 by the State for the purposes of sales and delivery of beer and wine by wholesalers to the retail
 10 outlets located on Indian Country lands. The fees generated by the tribal alcoholic beverage
 11 control commission for the issuance of retail permits may be retained by ~~the Eastern Band of~~
 12 ~~Cherokee Indians~~each tribe to offset costs of operating the tribal alcoholic beverage control
 13 commission.

14 ...

15 (g) Discrimination. – The tribal alcoholic beverage control commission shall not
 16 discriminate against non-Indians in the application of the tribal ABC law. Non-Indians shall be
 17 entitled to apply for and receive ABC permits in the same manner as an Indian on Indian Country
 18 lands under the jurisdiction of ~~the Eastern Band of Cherokee Indians~~each tribe.

19 (h) Resolution of Contested Cases. – If the tribal alcoholic beverage control commission
 20 levies a fine or suspends or revokes a permit pursuant to the provisions of G.S. 18B-104 for a
 21 violation of the provisions applicable to the Eastern Band of Cherokee Indians and the Catawba
 22 Indian Nation in this section, the permittee shall have the right of appeal of an agency final
 23 decision of the tribal commission to the tribal courts. Any further appeal shall be to the appellate
 24 courts of the tribe. All fines paid to the tribal commission in satisfaction of any penalty assessed
 25 by the tribal commission may be retained by the ~~Eastern Band of Cherokee Indians~~tribe to offset
 26 costs of operating the tribal alcoholic beverage control commission.

27 (i) Failure to Comply With Laws of This State. – If the Eastern Band of Cherokee Indians
 28 or Catawba Indian Nation fails to adopt the provisions of this Chapter, made applicable to the
 29 tribe by this section, by ordinance; fails to amend tribal ordinances to comply with amendments
 30 to the provisions of this Chapter, made applicable to the tribe by this section, within six months
 31 of passage of such amendments; or fails to comply with the provisions of this Chapter, made
 32 applicable to the tribe by this section, as required by 18 U.S.C. § 1161, the North Carolina
 33 Alcoholic Beverage Control Commission is authorized to terminate and prohibit future delivery
 34 of any alcoholic beverages from any person to the tribal alcoholic beverage control commission
 35 until the ~~Eastern Band of Cherokee Indians~~tribe complies with the provisions of this Chapter
 36 made applicable to the tribe by this section and 18 U.S.C. § 1161.

37 (j) Conflict of Laws. – If any provision of this section or its application conflicts with
 38 federal law, the conflict of laws shall be resolved in favor of the federal law unless compliance
 39 with the federal law abrogates a right reserved to the State under the Constitution of the United
 40 States."

41 **SECTION 26.(c)** G.S. 18B-203(a)(17) reads as rewritten:

42 "(17) Provide for the distribution of spirituous liquor ~~to~~ to: (i) installations of the
 43 Armed Forces of the United States within this State for resale on the
 44 installation and to installation; (ii) the Eastern Band of Cherokee Indians for
 45 resale on Indian Country lands within this State under the jurisdiction of the
 46 Eastern Band of Cherokee ~~Indians~~Indians, and (iii) to the Catawba Indian
 47 Nation for resale on Indian Country lands within the State under the
 48 jurisdiction of the Catawba Indian Nation."

49
 50 **CAP THE TAX ON CERTAIN PURCHASES, INCLUDING SPIRITUOUS LIQUOR**
 51 **THAT HAS BEEN AGED FOR AT LEAST TWELVE MONTHS IN ORBIT**

1 **SECTION 27.(a)** G.S. 105-164.27A is amended by adding a new subsection to read:
2 "(a4) Qualifying Spirituous Liquor. – A person who purchases qualifying spirituous liquor
3 may apply to the Secretary for a direct pay permit for the purchase of qualifying spirituous liquor.
4 A direct pay permit issued under this subsection authorizes its holder to purchase qualifying
5 spirituous liquor without paying tax to the seller and authorizes the seller to not collect any tax
6 on the qualifying spirituous liquor from the permit holder. A person who purchases qualifying
7 spirituous liquor under a direct pay permit must file a return and pay the tax due to the Secretary
8 in accordance with G.S. 105-164.16. A direct pay permit issued for qualifying spirituous liquor
9 does not apply to any purchase other than the purchase of qualifying spirituous liquor. The
10 maximum use tax on qualifying spirituous liquor is one thousand dollars (\$1,000). For purposes
11 of this subsection, "qualifying spirituous liquor" is a single container of spirituous liquor, as
12 defined in G.S. 18B-101, the purchase price of which is equal to or greater than fifty thousand
13 dollars (\$50,000)."

14 **SECTION 27.(b)** G.S. 105-113.81 reads as rewritten:
15 **"§ 105-113.81. Exemptions.**

16 ...

17 (f) Luxury Liquor. – A distillery is not required to remit excise taxes on spirituous liquor
18 for which the purchase price for a single container is equal to or greater than fifty thousand dollars
19 (\$50,000). However, the purchaser must remit use tax in accordance with
20 G.S. 105-164.27A(a4)."

21 **SECTION 27.(c)** This section is effective January 1, 2024, and applies to purchases
22 occurring on or after that date.

23

24 **DIRECT ABC COMMISSION TO EXPAND PREMISES TO COVER CERTAIN**

25 **CONTIGUOUS PROPERTIES**

26 **SECTION 28.** G.S. 18B-1006 is amended by adding a new subsection to read:
27 "(s) The Commission shall treat as a single premises two or more contiguous parcels with
28 different addresses if the parcels meet all of the following conditions:

- 29 (1) Each parcel is connected to one or more other parcels such that the parcels
30 share a single perimeter.
31 (2) The parcels are under common ownership or control, as evidenced by deed,
32 lease, or management agreement.
33 (3) Access between the buildings on the parcels is available to customers without
34 requiring customers to enter the public street or sidewalk."

35

36 **AUTHORIZE HOME MAKER ORGANIZATIONS TO GIVE SAMPLES AT EVENTS**

37 **SECTION 29.(a)** G.S. 18B-306 reads as rewritten:
38 **"§ 18B-306. Making wines and malt beverages for private use.**

39 (a) Authority. – An individual may make, possess, and transport wines and malt
40 beverages for the individual's own use, the use of the individual's family and guests, ~~or the~~ use at
41 organized affairs, exhibitions, or ~~competitions.~~ competitions, or use at home maker special events
42 pursuant to G.S. 18B-1114.8. For purposes of this section, the term "organized affairs,
43 exhibitions, or competitions" includes ~~homemaker's~~ home maker's contests, tastings, and
44 judgings.

45 (b) Selling Prohibited. – Wines and malt beverages made pursuant to this section may
46 not be sold or offered for sale.

47 (c) Kits. – Wine kits and malt beverage kits may be sold in this State.

48 (d) Permit. – No ABC permit is required to make wines or malt beverages pursuant to
49 this section."

50 **SECTION 29.(b)** G.S. 18B-902 is amended by adding a new subsection to read:
51 "(56) Home maker special event permit – \$50.00."

1 **SECTION 29.(c)** Article 11 of Chapter 18B of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 18B-1114.8. Home maker special event permit.**

4 (a) Definitions. – For purposes of this section, the following definitions apply:

5 (1) Homemade product. – A malt beverage or wine produced pursuant to
6 G.S. 18B-306.

7 (2) Home maker club. – An organization devoted to malt beverages and wine
8 produced pursuant to G.S. 18B-306 that:

9 a. Has a defined membership with a stated common purpose.

10 b. Has a written policy for granting membership that includes a written
11 application submitted by each member, both of which may be
12 produced or maintained electronically.

13 c. Maintains a list of all active members and their addresses that is
14 present at all organized affairs of the club and is open to inspection by
15 alcohol law-enforcement agents upon request.

16 d. Holds a general liability insurance policy in the amount of at least one
17 million dollars (\$1,000,000). This requirement may be satisfied by
18 either an annual policy or a policy for a specific special event.

19 (b) A home maker club may obtain a home maker special event permit allowing the
20 permittee to give free tastings of homemade malt beverages and wines on the premises of retail
21 ABC permittees and at shopping malls, or at trade shows, conventions, street festivals, holiday
22 festivals, agricultural festivals, balloon races, farmers markets, local fund-raisers, and other
23 similar events approved by the Commission. The permit shall be issued in the name of the home
24 maker club.

25 (c) Limitations on Consumer Tastings. – Any consumer tasting conducted pursuant to
26 this section is subject to the following limitations:

27 (1) Members of the permitted home maker club shall conduct the consumer
28 tasting and the permit holder shall be solely responsible for any violations of
29 this Chapter occurring in connection with the consumer tasting.

30 (2) At an event occurring on the premises of a retail ABC permittee, no
31 homemade products may be removed from or consumed outside of the retail
32 permittee's premises. The home maker club shall obtain written authorization
33 to conduct the consumer tasting at least 24 hours prior to conducting the
34 consumer tasting.

35 (3) At an event occurring at a trade show, convention, street festival, holiday
36 festival, agricultural festival, balloon race, farmers market, local fund-raiser,
37 or other similar event approved by the Commission, no homemade products
38 may be removed from or consumed outside of a clearly marked and defined
39 area where consumption of homemade products is authorized.

40 (4) The permit holder shall provide to the Commission in advance of any
41 consumer tasting a list of homemade products offered at the consumer tastings
42 at least 24 hours before the start of the consumer tasting event. For a consumer
43 tasting occurring on the premises of a retail ABC permittee, the permit holder
44 shall also provide this list to the permittee.

45 (5) Homemade products shall be labeled with a label stating the maker's name
46 and telephone number, the alcohol content by volume, and the statement
47 "Homemade product for consumer tasting."

48 (6) Members of the permitted home maker club shall not offer tasting samples to,
49 or allow consumption of tasting samples by, any consumer who is visibly
50 intoxicated.

- (7) Members of the permitted home maker club shall not offer tasting samples to, or allow consumption of tasting samples by, any consumer under 21 years of age. The person pouring the homemade products shall be responsible for verifying the age of the consumer being served by checking the identification of the consumer.
- (8) Homemade products may be stored on permitted premises for no more than 48 hours prior to the consumer tasting. Homemade products shall be sealed while being stored on permitted premises and segregated from other commercial alcoholic beverages located on the premises. No homemade product shall remain on the premises for more than 24 hours after the conclusion of the consumer tasting.
- (9) Each consumer shall be limited to six tasting samples containing one ounce of any homemade product made available for sampling at the consumer tasting, and the total amount of the tasting samples offered to and consumed by each consumer shall not exceed six ounces in any calendar day.
- (10) The permit holder or members of the permitted home maker club shall not charge a consumer for any tasting sample or for entry to the consumer tasting.
- (11) The permit holder shall maintain for a period of at least one year a record of each consumer tasting conducted. The record shall include the date of the consumer tasting, the time of the consumer tasting, an identification of the venue at which the consumer tasting was held, an identification of the homemade products that were provided for tasting at the consumer tasting, and the name of any person who poured homemade products at the consumer tasting. The permit holder shall allow the ABC Commission to inspect those records at any time.
- (12) Each consumer participating in a consumer tasting shall be required to provide his or her name, telephone number, email address, and the date of the consumer tasting."

SECTION 29.(d) This section becomes effective October 1, 2023.

ALLOW PRIVATE CLUB FRANCHISES TO RECEIVE ABC PERMITS IMMEDIATELY IF FRANCHISOR HAS BEEN IN OPERATION FOR AT LEAST 12 MONTHS

SECTION 30.(a) G.S. 18B-1000(5) reads as rewritten:

"(5) Private club. – An establishment that qualifies under Section 501(c) of the Internal Revenue Code, as amended, 26 U.S.C. § 501(c), and that has been in operation for a minimum of 12 months prior to application for an ABC permit. Provided, however, an establishment that (i) qualifies under Section 501(c) of the Internal Revenue Code, and (ii) is a franchisee of a franchisor that is permitted as a private club and has been in operation for a minimum of 12 months, shall not be required to have been in operation for a minimum of 12 months prior to application for an ABC permit."

SECTION 30.(b) This section is effective when it becomes law, and applies to applications for permits received by the Commission on or after that date.

ALLOW LIMITED DISTILLERY SALES IN RECREATION DISTRICTS

SECTION 31.(a) G.S. 18B-1006 reads as rewritten:

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

...

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

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

5 ...

6 (1a) An area that is located in a county that has not approved the issuance of mixed
7 beverages permits; has at least two cities that have approved the sale of malt
8 beverages, wine, and the operation of an ABC store; and contains a facility of
9 at least 90 acres where five or more motorsports-related events are held each
10 year. The Commission shall issue a permit under the authority set forth in this
11 subdivision only to a facility where five or more motorsports-related events
12 are held, or a qualified business contracting with or located at a facility where
13 five or more motorsports-related events are held, and the sale and
14 consumption of alcoholic beverages shall only occur during a
15 motorsports-related event held at the facility.

16 ...

17 (j1) Limited Distillery Sales in Recreation Districts. – Notwithstanding G.S. 18B-1105, a
18 distillery permittee whose premises is within 10 miles of a facility meeting the requirements of
19 subdivision (1a) of subsection (j) of this section may, with the permission of the facility, sell at
20 the facility for consumption off the premises bottles of spirituous liquor commemorating a
21 motorsports-related event that is being held at the facility as if they were being sold at the
22 distillery following a tour. These sales shall only occur during the motorsports-related event held
23 at the facility that the bottles are commemorating, and only during the hours in which spirituous
24 liquor sales at distilleries may occur following a tour pursuant to G.S. 18B-1105(4). Spirituous
25 liquor sold pursuant to this subsection shall (i) be listed as a code item for sale in the State, (ii)
26 be a limited-batch product of which fewer than 2,000 bottles were produced, (iii) be sold at the
27 price set by the Commission for the code item pursuant to G.S. 18B-804(b), and (iv) have affixed
28 to its bottle any labeling requirements set by law.

29"

30 **SECTION 31.(b)** This section becomes effective August 1, 2023.

31
32 **SEVERABILITY CLAUSE AND EFFECTIVE DATE**

33 **SECTION 32.(a)** If any provision of this act or the application thereof to any person
34 or circumstances is held invalid, such invalidity shall not affect other provisions or applications
35 of this act that can be given effect without the invalid provision or application and, to this end,
36 the provisions of this act are declared to be severable.

37 **SECTION 32.(b)** Except as otherwise provided, this act is effective when it becomes
38 law.