

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 890
Committee Substitute Favorable 5/10/21
Committee Substitute #2 Favorable 5/11/21
PROPOSED SENATE COMMITTEE SUBSTITUTE H890-PCS30474-TQf-34

Short Title: ABC Omnibus Legislation.

(Public)

Sponsors:

Referred to:

May 5, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOLIC BEVERAGE CONTROL
3 COMMISSION LAWS.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. ALLOW ONLINE ORDERS FROM ABC STORES**

7 **SECTION 1.1.** G.S. 18B-800(a) reads as rewritten:

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

12 **SECTION 1.2.** G.S. 18B-800 is amended by adding a new subsection to read:

13 "(c3) Online Orders. – An ABC store may accept an online order, including payment, for
14 alcoholic beverages sold in its store. An order placed online pursuant to this subsection shall be
15 picked up in person at the store by the individual who placed the order. An order placed online
16 pursuant to this subsection shall include the name and unique identifier number of the individual
17 placing the order, who shall be at least 21 years of age as shown on the form of identification
18 authorized pursuant to G.S. 18B-302(d)(1) and otherwise legally authorized to purchase
19 alcoholic beverages. An employee of the ABC store shall confirm that the online order is picked
20 up in person at the store by the individual who placed the order by verifying the individual's
21 identification that conforms to the identifying information contained in the online order."

22 **SECTION 1.3.** The ABC Commission shall adopt rules to determine how long a
23 product purchased by an online order pursuant to G.S. 18B-800(c3) may be set aside before being
24 returned to inventory at an ABC store.

25 **SECTION 1.4.** This Part becomes effective October 1, 2021, and applies to sales on
26 or after that date.

27
28 **PART II. ALLOW PERSONALIZED LABEL ON SPIRITUOUS LIQUOR PURCHASE**

29 **SECTION 2.1.** G.S. 18B-800(c1) reads as rewritten:

30 "(c1) Special Orders of Special Items. – Through the process established by rule of the
31 Commission for special orders of spirituous liquor that are on the special item list approved by
32 the Commission, ABC stores shall allow the purchase of individual bottles of spirituous liquor.
33 ABC stores may sell in store any bottles it receives from a special item case in excess of what
34 was purchased by the requesting customer. Bottles purchased pursuant to this subsection may be



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1 affixed with personalized labeling by the manufacturer, distiller, broker, or supplier of spirituous
2 liquor. The personalized labeling shall comply with any other labeling requirements set by law.
3 The personalized labeling shall not cover any portion of the manufacturer's original label. For
4 purposes of this subsection, the term "personalized labeling" means the inclusion of any of the
5 following on the label:

- 6 (1) The name of the purchaser of the bottle or the name of any individual, business
7 entity, club, ABC Board, or ABC store on whose behalf the bottle is
8 purchased.
9 (2) "Bottled for," "distilled for," "in honor of," or other similar language.
10 (3) Dates, locations, occasions, and other similar information."

11 **SECTION 2.2.** G.S. 18B-1105(a)(4) reads as rewritten:

12 "(4) Sell spirituous liquor distilled at the distillery in closed containers to visitors
13 who tour the distillery for consumption off the premises. Sales under this
14 subdivision are allowed only in a county where the establishment of a county
15 or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and
16 are subject to the time and day restrictions in G.S. 18B-802. Spirituous liquor
17 sold under this subdivision shall (i) be listed as a code item for sale in the
18 State, (ii) be sold at the price set by the Commission for the code item pursuant
19 to G.S. 18B-804(b), and (iii) have affixed to its bottle any labeling
20 requirements set by law. A bottle of spirituous liquor sold under this
21 subdivision may have personalized labeling. The personalized labeling shall
22 comply with any other labeling requirements set by law. The personalized
23 labeling shall not cover any portion of the manufacturer's original label. For
24 purposes of this subdivision, the term "personalized labeling" means the
25 inclusion of any of the following on the label:

- 26 a. The name of the purchaser of the bottle or the name of any individual,
27 business entity, club, ABC Board, or ABC store on whose behalf the
28 bottle is purchased.
29 b. "Bottled for," "distilled for," "in honor of," or other similar language.
30 c. Dates, locations, occasions, and other similar information."

31 **SECTION 2.3.** This Part becomes effective October 1, 2021, and applies to
32 spirituous liquor sold on or after that date.

33 **PART III. MIXED BEVERAGE PERMIT FOR CERTAIN EVENT CENTERS**

34 **SECTION 3.1.** G.S. 18B-1006 is amended by adding a new subsection to read:

35 "(n2) Event Centers. – The Commission may issue permits listed in G.S. 18B-1001(10) and
36 (12), without approval at an election, to qualified establishments defined in G.S. 18B-1000(4)
37 and (6) that meet all of the following requirements:

- 38 (1) The establishment is located in a county that has more than two man-made
39 lakes.
40 (2) The establishment is located in a county that has approved the sale of malt
41 beverages and unfortified wine but not mixed beverages.
42 (3) The establishment is open to the public and includes on its premises a hotel
43 with accommodations for 20 or more overnight guests, agritourism activities
44 as defined in G.S. 99E-30, and firearm sports."

45 **SECTION 3.2.** This Part is effective when it becomes law.

46 **PART IV. ELIMINATE THE REQUIREMENT ON THE TOWN OF CARY TO ISSUE** 47 **ALCOHOLIC BEVERAGE LICENSES**

48 **SECTION 4.1.** G.S. 105-113.70(a) reads as rewritten:
49
50

"(a) Issuance, Qualifications. – Each person who receives an ABC permit shall obtain the corresponding local license, if any, under this Article. All local licenses are issued by the city or county where the establishment for which the license is sought is located. No documentation shall be required of the applicant except as provided in this section. Issuance of a required local license is mandatory if the applicant holds the corresponding ABC permit and provides all of the following: (i) a copy of the most recently completed State application form for an ABC permit exclusive of any attachments, (ii) the ABC permit for visual inspection, and (iii) payment of the prescribed tax. No local license may be issued under this Article until the applicant has received from the ABC Commission the applicable permit for that activity, and no county license may be issued for an establishment located in a city in that county until the applicant has received from the city the applicable license for that ~~activity~~ activity; provided, the city in that county has not declined to require a license pursuant to G.S. 105-113.71(c)."

SECTION 4.2. G.S. 105-113.71 reads as rewritten:

"§ **105-113.71. Local government may refuse to issue Nonissuance of license.**

(a) Refusal to Issue. – Notwithstanding G.S. 105-113.70, the governing board of a city or county may refuse to issue a license if it finds that the applicant committed any act or permitted any activity in the preceding year that would be grounds for suspension or revocation of his permit under G.S. 18B-104. Before denying the license, the governing board shall give the applicant an opportunity to appear at a hearing before the board and to offer evidence. The applicant shall be given at least 10 days' notice of the hearing. At the conclusion of the hearing the board shall make written findings of fact based on the evidence at the hearing. The applicant may appeal the denial of a license to the superior court for that county, if notice of appeal is given within 10 days of the denial.

(b) ~~Local Unfortified Wine~~ Exceptions. – The governing bodies of the following counties and cities in their discretion may decline to issue on-premises unfortified wine licenses: the counties of Alamance, Alexander, Ashe, Avery, Chatham, Clay, Duplin, Granville, Greene, Haywood, Jackson, Macon, Madison, McDowell, Montgomery, Nash, Pender, Randolph, Robeson, Sampson, Transylvania, Vance, Watauga, Wilkes, Yadkin; any city within any of those counties; and the cities of Greensboro, Aulander, Pink Hill, and Zebulon.

(c) General Exception. – The governing bodies of the municipalities listed in this subsection may decline requiring a person who receives an ABC permit to obtain the corresponding local license from the municipality to engage in the activity authorized by the ABC permit: the Town of Cary."

SECTION 4.3. G.S. 105-113.77(a) reads as rewritten:

"(a) License and Tax. – ~~A~~ Except in cities declining to require a license pursuant to G.S. 105-113.71(c), a person holding any of the following retail ABC permits for an establishment located in a city shall obtain from the city a city license for that activity. The annual tax for each license is as stated.

ABC Permit	Tax for Corresponding License
On-premises malt beverage	\$15.00
Off-premises malt beverage	5.00
On-premises unfortified wine,	
on-premises fortified wine, or both.....	15.00
Off-premises unfortified wine,	
off-premises fortified wine, or both	10.00"

SECTION 4.4. This Part becomes effective October 1, 2021.

PART V. ESTABLISH NORTH CAROLINA SPIRITUOUS LIQUOR ADVISORY COUNCIL

SECTION 5.1. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 62B.

"Spiruous Liquor Advisory Council.

"§ 106-755.3. North Carolina Spiruous Liquor Advisory Council established.

The Commissioner shall appoint a North Carolina Spiruous Liquor Advisory Council (Council) to consist of individuals who have education or experience in the spiruous liquor industry or in the field of tourism. The membership shall be comprised of members of the spiruous liquor industry in North Carolina, at least one representative of the North Carolina Restaurant and Lodging Association, at least one representative of the North Carolina Association of ABC Boards, at least one representative of the ABC Commission, and any other person selected by the Commissioner. Notwithstanding any other provision of law, Council members shall receive no salary, per diem, subsistence, travel reimbursement, or other stipend or reimbursement as a result of serving on the Council.

"§ 106-755.4. Powers and duties of the Council.

The Council shall have all of the following powers and duties:

- (1) To identify and implement methods for improving North Carolina's rank as a spiruous liquor-producing State.
- (2) To assure orderly growth and development of North Carolina's spiruous liquor industry.
- (3) To increase public awareness of the quality of North Carolina spiruous liquor.
- (4) To coordinate the interaction of North Carolina's spiruous liquor industry with other segments of the State's economy such as tourism, retail trade, and horticulture.
- (5) To conduct methods of quality assurance of North Carolina's spiruous liquor industry to create a sound foundation for further growth.
- (6) To assist in the coordination of the activities of the various State agencies and other organizations contributing to the development of the spiruous liquor industry.
- (7) To enter into agreements with any local, State, or national organizations or agencies engaged in education for the purpose of disseminating information on spiruous liquor projects.
- (8) To develop a plan that identifies problems and constraints of the spiruous liquor industry, proposes solutions to those problems, and delineates planning mechanisms for the orderly growth of the industry.
- (9) To render advice and recommendations, including legislative recommendations, to the Commissioner regarding all of the above powers and duties."

SECTION 5.2. The Commissioner shall make initial appointments to the North Carolina Spiruous Liquor Advisory Council established under G.S. 106-755.3, as enacted by Section 5.1 of this act, no later than October 1, 2021.

SECTION 5.3. Section 5.1 of this Part becomes effective October 1, 2021. The remainder of this Part is effective when it becomes law.

PART VI. WINERY AND DISTILLERY LAW REVISIONS

SECTION 6.1.(a) G.S. 18B-1105(a)(4), as amended by Section 2.2 of this act, reads as rewritten:

- "(4) Sell spiruous liquor distilled at the distillery in closed containers to visitors who tour the distillery for consumption off the premises. Sales under this subdivision are allowed only in a county where the establishment of a county or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and ~~are subject to the time and day restrictions in G.S. 18B-802.~~ may occur

1 between the hours of 9:00 A.M. and 9:00 P.M. on Monday through Saturday
2 of each week, from 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M.
3 to 9:00 P.M. on each of the following holidays that do not fall on a Sunday:
4 New Year's Day, Fourth of July, Labor Day, and Thanksgiving Day.
5 Spirituous liquor sold under this subdivision shall (i) be listed as a code item
6 for sale in the State, (ii) be sold at the price set by the Commission for the
7 code item pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle any
8 labeling requirements set by law. A bottle of spirituous liquor sold under this
9 subdivision may have personalized labeling affixed to it that includes any
10 other labeling requirements set by law. For purposes of this subdivision, the
11 term "personalized labeling" means the inclusion of the name of the purchaser
12 on the label."

13 **SECTION 6.1.(b)** This section becomes effective October 1, 2021, and applies to
14 sales on or after that date.

15 **SECTION 6.2.(a)** Article 11 of Chapter 18B of the General Statutes is amended by
16 adding a new section to read:

17 **"§ 18B-1113.1. Authorization of optional nonresident spirituous liquor vendor permit.**

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

20 (1) A business located outside the State that is licensed or permitted to
21 manufacture spirituous liquor in the jurisdiction where the business is located
22 and whose products are lawfully sold in this State.

23 (2) A brokerage.

24 (3) A liquor importer/bottler.

25 (b) The holder of a nonresident spirituous liquor vendor permit may sell, deliver, and ship
26 spirituous liquor that has been approved for sale in this State to the permit holder's (i) employees
27 in the State and (ii) brokerage if the brokerage also holds a nonresident spirituous liquor vendor
28 permit for the purposes of conducting special events pursuant to G.S. 18B-1114.7. The permit
29 holder may not ship or deliver more spirituous liquor to its employees or brokerage than is
30 necessary for any consumer tasting event scheduled within one calendar month of the shipment
31 or delivery. Nothing in this section shall be interpreted to require a business to possess or obtain
32 a nonresident spirituous liquor vendor permit to do business in the State or to obtain a spirituous
33 liquor special event permit pursuant to G.S. 18B-1114.7.

34 (c) For purposes of this section, "brokerage" means a business that brokers the sale of
35 spirituous liquor on behalf of a distillery or liquor importer/bottler, and "distillery" means the
36 holder of a distillery permit issued under G.S. 18B-1105 or a business located outside the State
37 that is licensed or permitted to manufacture spirituous liquor in the jurisdiction where the
38 business is located and whose products are lawfully sold in this State."

39 **SECTION 6.2.(b)** G.S. 18B-902(d) is amended by adding a new subdivision to read:
40 **"(48) Nonresident spirituous liquor vendor permit – \$100.00."**

41 **SECTION 6.2.(c)** G.S. 18B-900(a)(2)c. reads as rewritten:

42 "c. The person is applying for a nonresident malt beverage vendor permit,
43 a nonresident wine vendor permit, a nonresident spirituous liquor
44 vendor permit, or a vendor representative permit."

45 **SECTION 6.2.(d)** G.S. 105-113.83A(a) is amended by adding a new subdivision to
46 read:

47 **"(12) Nonresident spirituous liquor vendor."**

48 **SECTION 6.2.(e)** G.S. 18B-1114.1 reads as rewritten:

49 **"§ 18B-1114.1. Authorization of winery special event permit.**

50 (a) Authorization. – The holder of an unfortified winery permit, a limited winery permit,
51 a viticulture/enology course authorization, ~~or~~ ~~a wine producer permit~~ permit, or a vendor

1 representative permit may obtain a winery special event permit allowing the winery or wine
2 producer to give free tastings of its wine; to sell branded merchandise such as glassware, cups,
3 signs, t-shirts, hats, and other apparel; and to sell its wine by the glass or in closed containers, at
4 shopping malls and at trade shows, conventions, ~~shopping malls,~~ wine festivals, street festivals,
5 holiday festivals, agricultural festivals, farmers markets, balloon races, local fund-raisers, and
6 other similar events approved by the Commission.

7 (b) Limitation. – A winery special event permit is valid only in a jurisdiction that has
8 approved the establishment of ABC stores or has approved the sale of unfortified wine."

9 **SECTION 6.2.(f)** G.S. 18B-1114.5 reads as rewritten:

10 **"§ 18B-1114.5. Authorization of malt beverage special event permit.**

11 (a) Authorization. – The holder of a brewery permit, a malt beverages importer permit, a
12 brewing, distillation, and fermentation course authorization, ~~or~~ a nonresident malt beverage
13 vendor ~~permit~~ permit, or a vendor representative permit may obtain a malt beverage special event
14 permit allowing the permittee to give free tastings of its malt beverages; to sell branded
15 merchandise such as glassware, cups, signs, t-shirts, hats, and other apparel; and to sell its malt
16 beverages by the glass or in closed containers at shopping malls and at trade shows, conventions,
17 ~~shopping malls,~~ malt beverage festivals, street festivals, holiday festivals, agricultural festivals,
18 farmers markets, balloon races, local fund-raisers, and other similar events approved by the
19 Commission. Except for a brewery operating under the provisions of G.S. 18B-1104(a)(8), all
20 malt beverages sampled or sold pursuant to this section must be purchased from a licensed malt
21 beverages wholesaler.

22 (b) Limitation. – A malt beverage special event permit is valid only in a jurisdiction that
23 has approved the establishment of ABC stores or has approved the sale of malt beverages. A malt
24 beverage special event shall not be used as subterfuge for malt beverages suppliers to ship
25 directly to retail permittees unless otherwise authorized by law."

26 **SECTION 6.2.(g)** G.S. 18B-1114.7 reads as rewritten:

27 **"§ 18B-1114.7. Authorization of spirituous liquor special event permit.**

28 (a) Authorization. – The holder of a supplier representative permit, brokerage
29 representative permit, nonresident spirituous liquor vendor permit, or distillery permit issued
30 under G.S. 18B-1105 may obtain a spirituous liquor special event permit allowing the permittee
31 to give free tastings of its spirituous liquors at ABC stores where the local board has approved
32 the tasting, at shopping malls or at trade shows, conventions, ~~shopping malls,~~ street festivals,
33 holiday festivals, agricultural festivals, balloon races, ~~farmers markets,~~ local fund-raisers, and
34 other similar events approved by the Commission. Additionally, the holder of a spirituous liquor
35 special event permit may sell mixed beverages or spirituous liquor distilled or produced at the
36 distillery in closed containers at trade shows, conventions, agricultural festivals, farmers markets,
37 local fund-raisers, and other similar events approved by the Commission.

38 (b) ~~General Limitations.~~ Limitations on Consumer Tastings. – Except as otherwise
39 provided in subsection (c) of this section, any consumer tasting is subject to the following
40 limitations:

- 41 (1) The permit holder or the permit holder's authorized agent shall conduct the
42 consumer tasting and the permit holder shall be solely responsible for any
43 violations of this Chapter occurring in connection with the consumer tasting.
- 44 (2) The spirituous liquor shall be poured only by either (i) the permit holder
45 conducting the consumer tasting or (ii) an employee or authorized agent of the
46 permit holder conducting the consumer tasting who is at least 21 years of age.
- 47 (3) Each consumer shall be limited to one tasting sample containing 0.25 ounces
48 of any product made available for sampling at the consumer tasting, and the
49 total amount of the tasting samples offered to and consumed by each consumer
50 shall not exceed 1.0 ounce of spirituous liquor in any calendar day.

- 1 (3a) The permit holder or the permit holder's authorized agent may only provide
2 tasting samples of products from one distillery per booth, kiosk, or display.
3 (4) The permit holder or the permit holder's authorized agent shall not offer
4 tasting samples to, or allow consumption of tasting samples by, any consumer
5 who is visibly intoxicated.
6 (5) The permit holder or the permit holder's authorized agent shall not offer
7 tasting samples to, or allow consumption of tasting samples by, any consumer
8 under the legal age for consuming spirituous liquor. 21 years of age. The
9 person pouring the spirituous liquor shall be responsible for verifying the age
10 of the consumer being served by checking the identification of the consumer.
11 (6) The permit holder shall not charge a consumer for any tasting sample.
12 (7) Repealed by Session Laws 2019-182, s. 6(a), effective September 1, 2019.
13 (8) A consumer tasting shall not be allowed unless the venue is located in a
14 jurisdiction that has approved the sale of mixed beverages.
15 (9) The permit holder may provide point-of-sale advertising materials and
16 advertising specialties and may sell branded merchandise such as glassware,
17 cups, signs, t-shirts, hats, and other apparel to consumers at the consumer
18 tasting.
19 (10) The permit holder shall maintain for a period of at least one year a record of
20 each consumer tasting conducted. The record shall include the date of the
21 consumer tasting, the time of the consumer tasting, an identification of the
22 venue at which the consumer tasting was held, an identification of the
23 spirituous liquor that was provided for tasting at the consumer tasting, and the
24 name of any person who poured spirituous liquor at the consumer tasting. The
25 permit holder shall allow the ABC Commission to inspect those records at any
26 time.
27 (11) Consumer tastings may not be provided between the hours of 2:00 A.M. and
28 7:00 A.M., except that on Sundays consumer tastings may not be provided
29 until 12:00 noon unless the sale of alcoholic beverages before 12:00 noon is
30 authorized by local ordinance pursuant to G.S. 153A-145.7 or
31 G.S. 160A-205.3.

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

- 35 (1) The sale of mixed beverages in conjunction with a consumer tasting is not
36 authorized at shopping malls, street festivals, holiday festivals, or balloon
37 rides.
38 (2) The mixed beverages shall contain only spirituous liquor distilled or produced
39 at the distillery.
40 (3) The permit holder or the permit holder's authorized agent shall conduct the
41 sale of mixed beverages, and the permit holder shall be solely responsible for
42 any violations of this Chapter occurring in connection with the event.
43 (4) The permit holder or the permit holder's authorized agent may only sell mixed
44 beverages containing products from one distillery per booth, kiosk, or display.
45 (5) The mixed beverage shall be prepared only by either (i) the permit holder or
46 the permit holder's authorized agent conducting the consumer tasting or (ii) an
47 employee of the permit holder or the permit holder's authorized agent
48 conducting the consumer tasting who is at least 21 years of age.
49 (6) The permit holder or the permit holder's authorized agent shall not knowingly
50 sell more than one mixed beverage to a customer per calendar day, per
51 distillery.

- 1 (7) The permit holder or the permit holder's authorized agent shall not sell or serve
2 mixed beverages to any consumer who is visibly intoxicated.
- 3 (8) The permit holder or the permit holder's authorized agent shall not sell or serve
4 mixed beverages to any consumer under 21 years of age. The person preparing
5 the mixed beverage shall be responsible for verifying the age of the consumer
6 being served by checking the identification of the consumer.
- 7 (9) The sale of mixed beverages shall not be allowed unless the venue is located
8 in a jurisdiction that has approved the sale of mixed beverages.
- 9 (10) Mixed beverages may not be sold between the hours of 2:00 A.M. and 7:00
10 A.M., except that on Sundays mixed beverages may not be sold until 12:00
11 noon unless otherwise authorized by local ordinance pursuant to
12 G.S. 153A-145.7 or G.S. 160A-205.3.

13 (b2) General Limitations on the Provision of Spirituous Liquor in Closed Containers. –
14 The provision of spirituous liquor in closed 50 milliliter mini-bottle containers, at no cost, in
15 conjunction with a consumer tasting under a spirituous liquor special event permit is authorized
16 subject to the following limitations:

- 17 (1) The permit holder or the permit holder's authorized agent shall provide only
18 spirituous liquor distilled or produced at the distillery.
- 19 (2) The permit holder or the permit holder's authorized agent shall conduct the
20 provision of the spirituous liquor, and the permit holder shall be solely
21 responsible for any violations of this Chapter occurring in connection with the
22 event.
- 23 (3) The permit holder or the permit holder's authorized agent may only provide
24 spirituous liquor distilled or produced by one distillery per booth, kiosk, or
25 display.
- 26 (4) The spirituous liquor shall be provided only by either (i) the permit holder or
27 the permit holder's authorized agent conducting the consumer tasting or (ii) an
28 employee of the permit holder or the permit holder's authorized agent
29 conducting the consumer tasting who is at least 21 years of age.
- 30 (5) The permit holder or the permit holder's authorized agent shall not knowingly
31 provide more than one 50 milliliter mini-bottle of spirituous liquor to a
32 customer per calendar day, per distillery. Notwithstanding G.S. 18B-301(e), a
33 customer may possess a mini-bottle purchased at a consumer tasting event
34 while at the event.
- 35 (6) The permit holder or the permit holder's authorized agent shall not provide
36 spirituous liquor to any consumer who is visibly intoxicated.
- 37 (7) The permit holder or the permit holder's authorized agent shall not provide
38 spirituous liquor to any consumer under 21 years of age. The person providing
39 the spirituous liquor shall be responsible for verifying the age of the consumer
40 being served by checking the identification of the consumer.
- 41 (8) The provision of spirituous liquor shall not be allowed unless the venue is
42 located in a jurisdiction that has approved the sale of mixed beverages.
- 43 (9) Spirituous liquor in closed containers may be provided between the hours of
44 9:00 A.M. and 9:00 P.M. on Monday through Saturday of each week, from
45 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M. to 9:00 P.M. on
46 each of the following holidays that do not fall on a Sunday: New Year's Day,
47 Fourth of July, Labor Day, and Thanksgiving Day.

48 (c) Additional Limitations on Tastings in ABC Stores. – Consumer tastings conducted in
49 an ABC store shall have the following additional limitations:

- 50 (1) The spirituous liquor used in the consumer tasting event shall be purchased by
51 the permit holder from any ABC store at the price set by the Commission. The

1 permit holder shall remove from the premises any remaining spirituous liquor
2 used in the consumer tasting event at the conclusion of the consumer tasting
3 event.

4 (1a) The permit shall be issued in the name of the distillery or, if issued to a
5 supplier representative, brokerage representative, or nonresident spirituous
6 liquor vendor, in the name of the nonresident spirituous liquor vendor or the
7 name of the business the supplier representative or brokerage representative
8 represents.

9 ...

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

14 **SECTION 6.2.(h)** G.S. 18B-1105(a)(5) reads as rewritten:

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

17 **SECTION 6.2.(i)** This section is effective 90 days after this act becomes law and
18 applies to events held on or after that date.

19 **SECTION 6.3.(a)** G.S. 130A-247 reads as rewritten:

20 **"§ 130A-247. Definitions.**

21 The following definitions shall apply throughout this Part:

22 ...

23 (11) "Distillery" means an establishment licensed under G.S. 18B-1105 that is not
24 engaged in the preparation of food on the premises. For purposes of this
25 subdivision, the term "food" does not include beverages.

26 (12) "Winery" means an establishment licensed under G.S. 18B-1101 or
27 G.S. 18B-1102 that is not engaged in the preparation of food on the premises.
28 For purposes of this subdivision, the term "food" does not include beverages."

29 **SECTION 6.3.(b)** G.S. 130A-248(a) reads as rewritten:

30 "(a) For the protection of the public health, the Commission shall adopt rules governing
31 the sanitation of establishments that prepare or serve drink or food for pay and establishments
32 that prepare and sell meat food products or poultry products. However, any establishment that
33 prepares or serves food or drink to the public, regardless of pay, shall be subject to the provisions
34 of this Article if the establishment that prepares or serves food or drink holds an ABC permit, as
35 defined in G.S. 18B-101, meets any of the definitions in G.S. 18B-1000, and does not meet the
36 definition of a brewery as provided in G.S. 130A-247(10) or a private bar as provided in
37 G.S. 130A-247(1b) or a private club as provided in G.S. 130A-247(2), set forth in G.S. 130A-247
38 for a brewery, distillery, private bar, private club, or winery."

39 **SECTION 6.3.(c)** G.S. 130A-250 reads as rewritten:

40 **"§ 130A-250. Exemptions.**

41 The following shall be exempt from this Part:

42 ...

43 (18) A distillery as defined in G.S. 130A-247(11).

44 (19) A winery as defined in G.S. 130A-247(12)."

45 **SECTION 6.3.(d)** Penalties imposed and fees charged before the effective date of
46 this section are not abated or affected by this section, and the statutes that would be applicable
47 but for this section remain applicable to those penalties and fees.

48 **SECTION 6.3.(e)** The Revisor of Statutes is authorized to alphabetize, number, and
49 renumber the definitions listed in G.S. 130A-247, as amended by subsection (a) of this section,
50 to ensure that all the definitions are listed in alphabetical order and numbered accordingly.

51 **SECTION 6.3.(f)** This section becomes effective October 1, 2021.

1 **SECTION 6.4.(a)** G.S. 18B-1100 reads as rewritten:

2 "**§ 18B-1100. Commercial permits.**

3 The Commission may issue the following commercial permits:

4 ...

5 (21) Spirituos liquor special event permit.

6 (22) Nonresident spirituos liquor vendor permit."

7 **SECTION 6.4.(b)** This section is effective when it becomes law.

9 **PART VII. EXPAND ALLOWABLE GROWLER SIZE**

10 **SECTION 7.1.(a)** Rule. – For purposes of this section and its implementation,
11 "Growler Rule" means 14B NCAC 15C .0307 (Growlers).

12 **SECTION 7.1.(b)** Growler Rule. – Until the effective date of the revised permanent
13 rule that the ABC Commission is required to adopt pursuant to subsection (d) of this section, the
14 Commission shall implement the Growler Rule as provided in subsection (c) of this section.

15 **SECTION 7.1.(c)** Implementation. – Notwithstanding subsection (a) of 14B NCAC
16 15C .0307, a "growler" shall be defined as a rigid glass, ceramic, plastic, aluminum, or stainless
17 steel container with a closure or cap with a secure sealing that is no larger than 4 liters (1.0567
18 gallons) into which a malt beverage or unfortified wine is prefilled, filled, or refilled for
19 off-premises consumption.

20 **SECTION 7.1.(d)** Additional Rulemaking Authority. – The Commission shall adopt
21 a rule to amend the Growler Rule consistent with subsection (c) of this section. Notwithstanding
22 G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be
23 substantively identical to the provisions of subsection (c) of this section.

24 **SECTION 7.1.(e)** Effective Date. – This Part is effective when it becomes law.
25 Section 7.1(c) of this Part expires on the date that the rule adopted pursuant to Section 7.1(d) of
26 this Part becomes effective.

28 **PART VIII. DISTILLERIES/AMEND TOUR REQUIREMENT FOR SALE OF BOTTLE 29 OF SPIRITUOUS LIQUOR FOR OFF-PREMISES CONSUMPTION**

30 **SECTION 8.1.** G.S. 18B-1105(a)(4), as amended by Sections 2.2 and 6.1 of this act,
31 reads as rewritten:

32 "(4) Sell spirituos liquor distilled or produced at the distillery in closed containers
33 to visitors who tour the distillery for consumption off the premises. The
34 length, content, and other parameters of the tour shall be at the discretion of
35 the distillery, and the distillery shall not be required to maintain records related
36 to tours. Sales under this subdivision are allowed only in a county where the
37 establishment of a county or municipal ABC store has been approved pursuant
38 to G.S. 18B-602(g). Spirituous liquor sold under this subdivision shall (i) be
39 listed as a code item for sale in the State, (ii) be sold at the price set by the
40 Commission for the code item pursuant to G.S. 18B-804(b), and (iii) have
41 affixed to its bottle any labeling requirements set by law. A bottle of spirituos
42 liquor sold under this subdivision may have personalized labeling affixed to
43 it that includes any other labeling requirements set by law. For purposes of
44 this subdivision, the term "personalized labeling" means the inclusion of the
45 name of the purchaser on the label."

46 **SECTION 8.2.** This Part becomes effective October 1, 2021, and applies to sales
47 made on or after that date.

49 **PART IX. CLARIFY LAW ON THE SALE, POSSESSION, AND CONSUMPTION OF 50 SPIRITUOUS LIQUOR AT A DISTILLERY**

51 **SECTION 9.1.(a)** G.S. 18B-1105(a)(1) reads as rewritten:

1 "(1) Manufacture, purchase, import, possess and transport ingredients and
2 equipment used in the distillation or production of spirituous liquor. The
3 authorization to possess ingredients set forth in this subdivision includes the
4 possession of spirituous liquor not distilled or produced at the distillery that is
5 used for the production, research and development, or sample comparison of
6 spirituous liquor."

7 **SECTION 9.1.(b)** This section becomes effective October 1, 2021, and applies to
8 spirituous liquor possessed on or after that date.

9 **SECTION 9.2.(a)** G.S. 18B-1001(19) is amended by adding a new sub-subdivision
10 to read:

11 "h. Consumer tasting events authorized under this subdivision may be
12 conducted on any part of the licensed premises of the distillery, except
13 as prohibited by federal law."

14 **SECTION 9.2.(b)** This section becomes effective October 1, 2021, and applies to
15 consumer tastings held on or after that date.

16 **SECTION 9.3.(a)** G.S. 18B-1105 is amended by adding a new subsection to read:

17 "(d) Control of Location of Sale and Consumption on Premises. – Notwithstanding
18 G.S. 18B-301(e), except as otherwise prohibited by federal law or the holder of the distillery
19 permit, an alcoholic beverage authorized to be sold or consumed under this section may be sold,
20 possessed, or consumed on any part of the licensed premises of the distillery. This section shall
21 not be construed to allow spirituous liquor in closed containers sold for off-premises consumption
22 to be consumed at the distillery."

23 **SECTION 9.3.(b)** This section becomes effective October 1, 2021, and applies to
24 the sale and consumption of alcoholic beverages on or after that date.

25 26 **PART X. ALLOW ABC AGE VERIFICATION WITH SPECIAL IDENTIFICATION** 27 **CARDS FROM OTHER STATES**

28 **SECTION 10.1.(a)** G.S. 18B-302(d) reads as rewritten:

29 "(d) Defense. – It is a defense to a violation of subsection (a) of this section if the seller
30 does any of the following:

- 31 (1) Shows that the purchaser produced a driver's license, a special identification
32 card issued under G.S. 20-37.7, G.S. 20-37.7 or issued by the state agency of
33 any other state authorized to issue similar official state special identification
34 cards for that state, a military identification card, or a passport, showing the
35 purchaser's age to be at least the required age for purchase and bearing a
36 physical description of the person named on the card reasonably describing
37 the purchaser.
- 38 (2) Produces evidence of other facts that reasonably indicated at the time of sale
39 that the purchaser was at least the required age.
- 40 (3) Shows that at the time of purchase, the purchaser utilized a biometric
41 identification system that demonstrated (i) the purchaser's age to be at least
42 the required age for the purchase and (ii) the purchaser had previously
43 registered with the seller or seller's agent a drivers license, a special
44 identification card issued under G.S. 20-37.7, G.S. 20-37.7 or issued by the
45 state agency of any other state authorized to issue similar official state special
46 identification cards for that state, a military identification card, or a passport
47 showing the purchaser's date of birth and bearing a physical description of the
48 person named on the document."

49 **SECTION 10.1.(b)** This section becomes effective December 1, 2021, and applies
50 to offenses committed on or after that date.

1 **PART XI. ALLOW SALE AND DELIVERY OF NO MORE THAN TWO ALCOHOLIC**
2 **BEVERAGE DRINKS AT A COLLEGE OR UNIVERSITY STADIUM, ATHLETIC**
3 **FACILITY, ARENA, OR SPORTING EVENT**

4 **SECTION 11.1.(a)** G.S. 18B-1010(b) is repealed.

5 **SECTION 11.1.(b)** This section is effective when it becomes law and applies to the
6 sale and delivery of alcoholic beverages on or after that date.

7
8 **PART XII. TIME OF SALE TECHNICAL CORRECTION**

9 **SECTION 12.1.** G.S. 18B-1004(a) reads as rewritten:

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

15
16 **PART XIII. MIXED BEVERAGE ELECTION AMENDMENT**

17 **SECTION 13.1.(a)** G.S. 18B-602(h) reads as rewritten:

18 "(h) Mixed Beverage Elections. – The ballot for a mixed beverage election shall state the
19 proposition as follows:

20 To permit the sale of mixed beverages in hotels, restaurants, private clubs, community
21 theatres, and convention ~~centers~~centers and the "on-premises" and "off-premises" sale of malt
22 beverages and unfortified wine in qualified establishments.

23 FOR

24 AGAINST"

25 **SECTION 13.1.(b)** G.S. 18B-603(d) reads as rewritten:

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

- 29 (1) The Commission may issue mixed beverage permits.
30 (2) The Commission may issue on-premises malt beverage, unfortified wine, and
31 fortified wine permits for establishments with mixed beverage permits,
32 regardless of any other election or any local act concerning sales of those kinds
33 of alcoholic beverages.
34 (3) The Commission may issue off-premises malt beverage permits to any
35 establishment that meets the requirements under G.S. 18B-1001(2) in any
36 ~~township or incorporated municipality which jurisdiction~~ that has voted to
37 permit the sale of mixed beverages, regardless of any other local act
38 concerning sales of those kinds of alcoholic beverages. The Commission may
39 also issue off-premises unfortified wine permits to any establishment that
40 meets the requirements under G.S. 18B-1001(4) in any ~~township or~~
41 ~~incorporated municipality which jurisdiction~~ that has voted to permit the sale
42 of mixed beverages, regardless of any other local act concerning sales of those
43 kinds of alcoholic beverages.

44 (3a) The Commission may issue either of the following permits in any jurisdiction
45 that has voted to permit the sale of mixed beverages, regardless of any other
46 local act concerning sales of those kinds of alcoholic beverages:

47 a. On-premises malt beverage permits to any establishment that meets
48 the requirements of G.S. 18B-1001(1).

49 b. On-premises unfortified wine permits to any establishment that meets
50 the requirements of G.S. 18B-1001(3).

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

7 (5) The Commission may continue to issue culinary permits for establishments
8 that do not have mixed beverage permits. An establishment may not be issued
9 a mixed beverage permit under subdivision (1) until it surrenders its culinary
10 permit."

11 **SECTION 13.1.(c)** G.S. 18B-603(d)(3a), as enacted in subsection (b) of this section,
12 shall apply to jurisdictions that have approved the sale of mixed beverages prior to the effective
13 date of this section unless the governing body of that jurisdiction adopts a resolution no later than
14 60 days after the effective date of this section requesting an election be held pursuant to
15 G.S. 18B-601. If an election is requested by resolution, the propositions in G.S. 18B-602(a)(2)
16 and G.S. 18B-602(d)(2) shall be voted upon in that jurisdiction, and the results of that election
17 shall control the issuance of on-premises malt beverage permits and on-premises unfortified wine
18 permits in that jurisdiction unless another law applies.

19 **SECTION 13.1.(d)** This section is effective 90 days after this act becomes law.

20 21 **PART XIV. AMEND THE REQUIREMENTS THAT MUST BE MET BEFORE** 22 **CERTAIN SMALL TOWNS MAY HOLD A MIXED BEVERAGE ELECTION**

23 **SECTION 14.1.** G.S. 18B-600(e3) reads as rewritten:

24 "(e3) Small Town Mixed Beverage Elections. – A town may hold a mixed beverage election
25 if the town (i) has at least 200 registered voters and voters, is located in a county bordering the
26 Neuse River and Pamlico Sound that has not approved the sale of mixed beverages-beverages,
27 and that county has only one city that has approved the sale of mixed beverages-beverages or
28 (ii) has at least 200 registered voters, has a total area of less than 1 square mile, operates an ABC
29 store, and is located in a county that has at least three cities that have approved the sale of mixed
30 beverages. Provided, that if a town that qualifies for an election under this subsection approves
31 the sale of mixed beverages, mixed beverages permittees in the town may purchase liquor from
32 the ABC store designated by any local ABC board in any other city that has approved the sale of
33 mixed beverages."

34 35 **PART XV. ALLOW ABC STORES TO SELL REFRIGERATED BEVERAGES**

36 **SECTION 15.1.** G.S. 18B-800 is amended by adding a new subsection to read:

37 "(c4) Refrigerated Beverages. – ABC stores may sell alcoholic beverages authorized for
38 sale under this section in a refrigerated unit. For purposes of this subsection, the term
39 "refrigerated unit" means a refrigerated merchandiser or other appliance that is artificially kept
40 cool and suitable to be used to store food and drink."

41 **SECTION 15.2.** This Part becomes effective October 1, 2021, and applies to sales
42 on or after that date.

43 44 **PART XVI. ALTERNATING BREWERY PROPRIETORSHIP CLARIFICATION**

45 **SECTION 16.1.** G.S. 18B-903(c1) reads as rewritten:

46 "(c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section shall
47 be construed to limit alternating brewery proprietorships in which the holder of a brewery permit
48 leases or otherwise makes available its facility to another holder of a brewery permit. For
49 purposes of this section, if authorized by federal law, the host brewery may also hold, at the same
50 facility, unfortified winery, fortified winery, and distillery permits pursuant to G.S. 18B-1101,
51 18B-1102, and 18B-1105. In this arrangement, the tenant brewery shall maintain title to the malt

1 beverages at all states of the brewing process and shall be responsible for all aspects associated
2 with manufacturing the product, including maintaining appropriate records, obtaining label
3 approval in its own name, and remitting the appropriate taxes. Alternating brewery
4 proprietorships are authorized between affiliated breweries, but shall not be used as a means to
5 allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler
6 permit pursuant to G.S. 18B-1104(a)(8) where either brewery would not otherwise qualify for a
7 permit, and the Commission shall have no authority to grant an exemption to this requirement
8 pursuant to G.S. 18B-1116(b)."
9

10 **PART XVII. CLARIFY RESTAURANT DEFINITION**

11 **SECTION 17.1.** G.S. 18B-1000(6) reads as rewritten:

12 "(6) Restaurant. – An establishment substantially engaged in the business of
13 preparing and serving meals. To qualify as a restaurant, an establishment's
14 gross receipts from food and nonalcoholic beverages shall be not less than
15 thirty percent (30%) of the total gross receipts from food, nonalcoholic
16 beverages, and alcoholic ~~beverages.~~ beverages sold for on-premises
17 consumption. A restaurant shall also have a kitchen and an inside dining area
18 with seating for at least 36 people. If the restaurant is located on an 18-hole
19 golf course, the premises shall include the parking lot and the playing area of
20 the golf course, including the teeing areas, greens, fairways, roughs, hazards,
21 and cart paths."
22

23 **PART XVIII. ALLOW MIXED BEVERAGE SALES AT CERTAIN DISTILLERIES**

24 **SECTION 18.1.** G.S. 18B-1105(a) is amended by adding a new subdivision to read:

25 "(4b) If the distillery is located on a property used for bona fide farm purposes, as
26 defined in G.S. 160D-102(3), sell mixed beverages containing only spirituous
27 liquor produced at the distillery for consumption on the premises regardless
28 of the results of any local mixed beverage election."
29

30 **PART XIX. OFF-SITE AIRPORT PERMITTEE STORAGE**

31 **SECTION 19.1.** G.S. 18B-1001 is amended by adding a new subdivision to read:

32 "(22) Airport Central Storage Permit. – A permit under this subdivision may be
33 issued to the owner of a bonded storage warehouse that meets the federal
34 Transportation Security Administration (TSA) security standards (49 C.F.R.
35 §§ 1542.1 through 1542.307). This permit authorizes the permittee to contract
36 with retail permittees holding permits issued pursuant to G.S. 18B-1001(1),
37 (3), (5), and (10) with one or more retail locations at airports which service
38 airplanes boarding at least 150,000 passengers annually to do the following:
39 (i) store at a central receiving facility located on or within 5 miles of the airport
40 property and outside the retail permittee's licensed premises alcoholic
41 beverages to be sold or served at the retail permittee's airport locations as
42 approved by the Commission and (ii) transport alcoholic beverages from the
43 central receiving facility to the retail permittee's premises or support locations
44 within the airport terminal pursuant to subsections (d) and (e) of
45 G.S. 18B-1115. Alcoholic beverages stored pursuant to this subdivision shall
46 be the property of the retail permittee. The portion of the airport central storage
47 permitted premises where the retail permittee's alcoholic beverages are stored
48 shall be deemed an extension of the retail permittee's permitted premises for
49 storage only and subject to inspection pursuant to G.S. 18B-503."

50 **SECTION 19.2.** G.S. 18B-902(d) is amended by adding a new subdivision to read:

51 "(49) Airport central storage permit – \$400.00."

1 **SECTION 19.3.** G.S. 18B-1100 reads as rewritten:

2 "**§ 18B-1100. Commercial permits.**

3 The Commission may issue the following commercial permits:

4 ...

5 (23) Airport central storage permit."

6 **SECTION 19.4.** Article 10 of Chapter 18B of the General Statutes is amended by
7 adding a new section to read:

8 "**§ 18B-1011. Retail permittee off-site airport storage.**

9 (a) Permittees holding permits issued pursuant to G.S. 18B-1001(1), (3), (5), and (10) for
10 premises located within airport terminals may contract with an airport central storage permittee
11 for storage at the airport central storage permittee's licensed premises of the permittee's alcoholic
12 beverages to be sold at the retail permittee's airport locations as authorized by the Commission.
13 The permittee may contract with the airport central storage permittee to transport the retail
14 permittee's alcoholic beverages from the airport central storage facility to the retail permittee's
15 premises or support location.

16 (b) The location where the retail permittee's alcoholic beverages are stored on the airport
17 central storage permittee's premises shall be deemed an extension of the retail permittee's licensed
18 premises for purposes of this Chapter."

19 **SECTION 19.5.** G.S. 18B-1203(a) reads as rewritten:

20 "(a) Each agreement shall designate the sales territory of the wholesaler. No winery may
21 enter into more than one agreement for each brand of wine or beverage it offers in any territory.
22 A wholesaler shall not distribute any brand of wine to a retailer whose premises are located
23 outside the territory designated in the wholesaler's agreement for that ~~brand-brand~~, except to a
24 retail permittee's off-site airport storage premises pursuant to G.S. 18B-1011. With the approval
25 of the Commission, a wholesaler may distribute wine outside the wholesaler's designated territory
26 during periods of temporary service interruption when requested to do so by the winery and the
27 wholesaler whose service is interrupted. Unless the winery and wine wholesaler agree otherwise
28 in writing, the territory designated as the wholesaler's "area of primary sales responsibility" as of
29 the effective date of this section shall be the wholesaler's designated sales territory.
30 Redesignations of sales territories occurring after July 1, 2011, shall be reported to the
31 Commission within 30 days. No provisions of this Article, however, may prohibit the
32 continuation of a multi-wholesaler agreement entered into before March 21, 1983, as between
33 the winery and the original wine wholesalers thereto, provided that upon termination of any such
34 agreement, the affected territory shall be designated for a single wholesaler."

35 **SECTION 19.6.** G.S. 18B-1303(a) reads as rewritten:

36 "(a) Filing. – It is unlawful for a supplier to provide malt beverages to a wholesaler unless
37 the Commission has received notification from the supplier designating the brands of the supplier
38 which the wholesaler is authorized to sell and the territory in which such sales may take place. If
39 the supplier sells several brands, the agreement need not apply to all brands. A franchise
40 agreement applies to all supplier products under the same brand name, and different categories
41 of products manufactured under a common identifying trade name are considered to be the same
42 brand. No supplier may provide by a distribution agreement for the distribution of a brand to
43 more than one wholesaler for the same territory. A wholesaler shall not distribute any brand of
44 malt beverage to a retailer whose premises are located outside the territory specified in the
45 wholesaler's distribution agreement for that ~~brand-brand~~, except to a retail permittee's off-site
46 airport storage premises pursuant to G.S. 18B-1011. A wholesaler may, however, with the
47 approval of the Commission distribute malt beverages outside its designated territory during
48 periods of temporary service interruption when requested to do so by the supplier and the
49 wholesaler whose service is interrupted."

50 **SECTION 19.7.** This Part is effective 90 days after this act becomes law.
51

PART XX. AUTHORIZATION OF SOCIAL DISTRICTS

SECTION 20.1. Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ 153A-145.9. Authorization of social district.

A county may adopt an ordinance designating a social district for use in accordance with G.S. 18B-904.1."

SECTION 20.2. Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-205.4. Authorization of social district.

A city may adopt an ordinance designating a social district for use in accordance with G.S. 18B-904.1."

SECTION 20.3. Article 9 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-904.1. Authorization and regulation of social districts.

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

(1) Permittee. – An establishment holding any of the following permits issued by the Commission:

a. An on-premises malt beverage permit issued pursuant to G.S. 18B-1001(1).

b. An on-premises unfortified wine permit issued pursuant to G.S. 18B-1001(3).

c. An on-premises fortified wine permit issued pursuant to G.S. 18B-1001(5).

d. A mixed beverages permit issued pursuant to G.S. 18B-1001(10).

e. A distillery permit issued pursuant to G.S. 18B-1100(5).

(2) Social district. – A defined outdoor area in which a person may consume alcoholic beverages sold by a permittee. This term does not include the permittee's licensed premises or an extended area allowed under G.S. 18B-904(h).

(b) Authorization. – Pursuant to G.S. 153A-145.9, a county may adopt an ordinance designating a social district in the parts of the county outside any city. Pursuant to G.S. 160A-205.4, a city may adopt an ordinance designating a social district.

(c) Requirements for Designation. – A social district designated under this section shall meet all of the following requirements:

(1) The social district shall be clearly defined with signs posted in a conspicuous location indicating which area is included in the social district, the days and hours during which alcoholic beverages may be consumed in the social district, the telephone number for the ALE Division and the local law enforcement agency with jurisdiction over the area comprising the social district, and a clear statement that an alcoholic beverage purchased for consumption in a social district shall (i) only be consumed in the social district and (ii) be disposed of before the person in possession of the alcoholic beverage exits the social district unless the person is reentering the licensed premises where the alcoholic beverage was purchased. The hours set by a city or county during which alcoholic beverages may be consumed in a social district shall be in accordance with G.S. 18B-1004.

(2) The city or county shall establish management and maintenance plans for the social district and post these plans, along with a rendering of the boundaries of the social district and days and hours during which alcoholic beverages may be consumed in the social district, on the website for the city or county. The

- 1 social district shall be maintained in a manner that protects the health and
2 safety of the general public.
- 3 (3) Before allowing consumption of alcoholic beverages in a social district, the
4 city or county shall submit to the Commission a detailed map of the social
5 district with the boundaries of the social district clearly marked and the days
6 and hours during which alcoholic beverages may be consumed in the social
7 district.
- 8 (d) Requirements for Sale of Alcoholic Beverages. – A permittee located in or contiguous
9 to a social district may sell alcoholic beverages for consumption within the social district it is
10 located in or contiguous to in accordance with the following requirements:
- 11 (1) The permittee shall only sell and serve alcoholic beverages on its licensed
12 premises.
- 13 (2) The permittee shall only sell alcoholic beverages for consumption in the social
14 district in a container that meets all of the following requirements:
- 15 a. The container clearly identifies the permittee from which the alcoholic
16 beverage was purchased.
- 17 b. The container clearly displays a logo or some other mark that is unique
18 to the social district in which it will be consumed.
- 19 c. The container is not comprised of glass.
- 20 d. The container displays, in no less than 12-point font, the statement,
21 "Drink Responsibly – Be 21."
- 22 e. The container shall not hold more than 16 fluid ounces.
- 23 (3) The permittee shall not allow a person to enter or reenter its licensed premises
24 with an alcoholic beverage not sold by the permittee.
- 25 (e) Requirements for Possession and Consumption of Alcoholic Beverages. – The
26 possession and consumption of an alcoholic beverage in a social district is subject to all of the
27 following requirements:
- 28 (1) Only alcoholic beverages purchased from a permittee located in or contiguous
29 to the social district may be possessed and consumed.
- 30 (2) Alcoholic beverages shall only be in containers meeting the requirements set
31 forth in subsection (d) of this section.
- 32 (3) Alcoholic beverages shall only be possessed and consumed during the days
33 and hours set by the city or county in accordance with subsection (b) of this
34 section.
- 35 (4) Nothing in this subdivision shall be construed as authorizing the sale and
36 delivery of alcoholic beverage drinks in excess of the limitation set forth in
37 G.S. 18B-1010.
- 38 (5) A person shall dispose of any alcoholic beverage in the person's possession
39 prior to exiting the social district unless the person is reentering the licensed
40 premises where the alcoholic beverage was purchased.
- 41 (f) Additional Requirements. – The Commission may adopt rules to impose requirements
42 in addition to the requirements set forth in subsections (c) through (e) of this section."
43

44 **PART XXI. MAKE PERMANENT THE EXPANSION OF LICENSED PREMISES FOR**
45 **PURPOSES OF OUTDOOR SEATING**

46 **SECTION 21.1.** Article 6 of Chapter 153A of the General Statutes is amended by
47 adding a new section to read:

48 **"§ 153A-145.10. Authorization of expanded area for ABC licensed premises.**

49 In accordance with G.S. 18B-904(h), a county may adopt an ordinance authorizing permittees
50 holding a permit under Article 10 or 11 of Chapter 18B of the General Statutes to utilize an area

1 that is not part of the permittee's licensed premises for the outdoor possession and consumption
2 of alcoholic beverages sold by the permittee."

3 **SECTION 21.2.** Article 8 of Chapter 160A of the General Statutes is amended by
4 adding a new section to read:

5 **"§ 160A-205.5. Authorization of expanded area for ABC licensed premises.**

6 In accordance with G.S. 18B-904(h), a city may adopt an ordinance authorizing permittees
7 holding a permit under Article 10 or 11 of Chapter 18B of the General Statutes to utilize an area
8 that is not part of the permittee's licensed premises for the outdoor possession and consumption
9 of alcoholic beverages sold by the permittee."

10 **SECTION 21.3.** G.S. 18B-904 reads as rewritten:

11 **"§ 18B-904. Miscellaneous provisions concerning permits.**

12 ...

13 (h) Extension of Licensed Premises. – A permittee holding a permit issued under Article
14 10 or 11 of this Chapter that allows the on-premises consumption of alcoholic beverages may
15 utilize an area that is not part of the permittee's licensed premises for the outdoor possession and
16 consumption of alcoholic beverages sold by the permittee subject to all of the following
17 requirements:

- 18 (1) If the licensed premises is located in a city, an ordinance has been adopted by
19 the city authorizing permittees to expand their licensed premises. If the
20 licensed premises is located outside of a city, an ordinance has been adopted
21 by the county authorizing permittees to expand their licensed premises.
- 22 (2) If the property to which the premises will be extended is not owned by the
23 permittee, the owner of the property has provided written permission to the
24 permittee allowing the use of the property for the purpose set forth in this
25 subsection.
- 26 (3) The permittee has provided written notification, including the diagram
27 required under subdivision (5) of this subsection and, if applicable, a copy of
28 the written permission required under subdivision (2) of this subsection, to the
29 district office of the ALE Division, and local law enforcement agency, with
30 jurisdiction over the licensed premises.
- 31 (4) The permittee shall visibly and vertically mark off the extended area so a
32 reasonable person could distinguish between the extended area and any
33 sidewalk or walkway.
- 34 (5) The permittee shall maintain a diagram on the licensed premises detailing the
35 size and location of the extended area. The diagram required under this
36 subdivision shall have the boundaries of the extended area clearly marked,
37 specify the types of barriers used to mark the boundaries of the extended area,
38 and specify the number of tables and seats placed in the extended area.
- 39 (6) The extended area shall not be used to increase the occupant load of the
40 licensed premises. For purposes of this section, "occupant load" is as used in
41 Section 1004 of the 2018 North Carolina Building Code.
- 42 (7) The extended area shall comply with all applicable laws governing
43 accessibility.
- 44 (8) Except as allowed under G.S. 18B-904.1 or to reenter the licensed premises,
45 a person shall not exit an extended area with an alcoholic beverage purchased
46 from the permittee.
- 47 (9) Any additional requirements imposed by the Commission through the
48 adoption of rules."

49
50 **PART XXII. SPECIFY THAT ALE AUTHORITY TO INSPECT PREMISES INCLUDES**
51 **SOCIAL DISTRICTS AND EXTENDED AREAS**

1 **SECTION 22.1.** G.S. 18B-502(a) reads as rewritten:

2 "(a) Authority. – To procure evidence of violations of the ABC law, alcohol
3 law-enforcement agents, employees of the Commission, local ABC officers, and officers of local
4 law-enforcement agencies that have contracted to provide ABC enforcement under
5 G.S. 18B-501(f) shall have authority to investigate the operation of each licensed premises for
6 which an ABC permit has been issued, to make inspections that include viewing the entire
7 premises, and to examine the books and records of the permittee. The inspection authorized by
8 this section may be made at any time it reasonably appears that someone is on the premises.
9 Alcohol law-enforcement agents are also authorized to be on the premises to the extent necessary
10 to enforce the provisions of Article 68 of Chapter 143 of the General Statutes. For purposes of
11 this subsection, the phrase "licensed premises for which an ABC permit has been issued" includes
12 a social district authorized under G.S. 18B-904.1 and an extended area authorized under
13 G.S. 18B-904(h)."

14
15 **PART XXIII. ALLOW TRADE OR EXCHANGE OF SPIRITUOUS LIQUOR**

16 **SECTION 23.1.** G.S. 18B-103 reads as rewritten:

17 **"§ 18B-103. Exemptions.**

18 ~~The~~ All of the following activities shall be permitted:

- 19 (1) The use of ethyl alcohol for scientific, chemical, pharmaceutical, mechanical,
20 and industrial ~~purposes;~~purposes.
- 21 (2) The use of ethyl alcohol by persons authorized to obtain it tax free, as provided
22 by federal ~~law;~~law.
- 23 (3) The use of ethyl alcohol in the manufacture and preparation of any product
24 unfit for use as a ~~beverage;~~beverage.
- 25 (4) The use of alcoholic beverages by licensed physicians, druggists, or dental
26 surgeons for medicinal or pharmaceutical purposes; or the use of alcoholic
27 beverages by medical facilities established and maintained for the treatment
28 of patients addicted to the use of alcohol or ~~drugs;~~drugs.
- 29 (5) The use of grain alcohol by college, university or State laboratories, and by
30 manufacturers of medicine, for compounding, mixing, or preserving
31 medicines or medical preparations, or for surgical ~~purposes;~~purposes.
- 32 (5a) The manufacture, possession, and consumption of alcoholic beverages for the
33 purpose of conducting scientific, chemical, pharmaceutical, mechanical,
34 industrial, and educational research in connection with teaching, research, or
35 extension programs conducted by, or under the supervision of, an instructor at
36 an accredited community college, public or private college or university, or
37 an extension agent in connection with educational programs and activities
38 offered by the North Carolina Cooperative Extension ~~Service;~~Service.
- 39 (6) The manufacture, importation, and possession of denatured alcohol produced
40 and used as provided by federal ~~law;~~law.
- 41 (7) The manufacture or sale of cider or ~~vinegar;~~vinegar.
- 42 (8) The possession and use of unfortified wine or fortified wine for sacramental
43 purpose by any organized church or ordained minister, including in public
44 school buildings when the use of those buildings is approved by the local
45 school ~~board;~~board.
- 46 (9) The possession and use of alcohol acquired for controlled-drinking programs
47 as authorized under ~~G.S. 20-139.1(g);~~G.S. 20-139.1(g).
- 48 (10) The use of spirituous liquor in the manufacture of flavors or flavoring extracts
49 that are unfit for beverage ~~use;~~use.
- 50 (11) Under the direct supervision of an instructor during a culinary class that is part
51 of an established culinary curriculum at an accredited college or university,

- 1 the delivery to or possession or consumption by a student who is less than 21
2 years of age, when the student is required to taste or imbibe the alcoholic
3 beverage during a culinary class conducted pursuant to the curriculum.
- 4 (12) The trade or exchange of lawfully purchased spirituous liquor if all of the
5 following requirements are met:
- 6 a. The transaction only involves the trade or exchange of lawfully
7 purchased spirituous liquor for other lawfully purchased spirituous
8 liquor.
- 9 b. The trade or exchange is only between individuals, for personal use
10 only, and not for resale.
- 11 c. The spirituous liquor to be traded or exchanged is or has been
12 approved by the Commission for sale in this State and is not unfit for
13 human consumption.
- 14 d. The spirituous liquor is not an antique spirituous liquor as that term is
15 defined in G.S. 18B-101(5a)."

16 **SECTION 23.2.** The Alcoholic Beverage Control Commission shall adopt
17 temporary rules to implement the provisions of this Part. Temporary rules adopted in accordance
18 with this section shall remain in effect until permanent rules that replace the temporary rules
19 become effective.

20 **SECTION 23.3.** This Part becomes effective October 1, 2021, and applies to trades
21 or exchanges made on or after that date.

22 **PART XXIV. DISTRIBUTE ALCOHOL WITHOUT DISCRIMINATION**

23 **SECTION 24.1.** G.S. 18B-204 reads as rewritten:

24 **"§ 18B-204. State warehouse.**

25 (a) Contracting for Private Warehouse. – The Commission shall provide for the receipt,
26 storage, and distribution of spirituous liquor by one of the following methods:

- 27 (1) By negotiated contract with a privately owned ~~warehouse;~~warehouse.
28 (2) By negotiated contract with privately owned warehouses in several regions of
29 the State. The Commission shall choose locations for the warehouses to
30 promote efficient distribution of spirituous liquor to all local boards, to
31 maintain control of that liquor, and to insure the Commission's supervision of
32 warehousing ~~procedures;~~ or procedures.
33 (3) By the construction of a warehouse, and by contracting for receipt, storage
34 and distribution of spirituous liquor by an independent contractor, by
35 negotiated contract or by the use of procedures for purchase and contract by
36 State agencies, for the operation of that warehouse.

37 (a1) Distribution of Spirituous Liquor; No Discrimination. – The Commission shall make
38 a good-faith effort, without discrimination, to make all spirituous liquor distributed by the
39 Commission available to all local boards. The Commission shall adopt rules regarding the
40 ordering of spirituous liquor by local boards and may suspend distribution to a local board of any
41 limited product required to be recorded pursuant to subsection (a3) of this section for a violation
42 of any rule concerning the ordering of the limited product.

43 (a2) Providing Ordering Advantage Prohibited. – A contractor that has entered into a
44 contract pursuant to this section shall not directly or indirectly provide information to a local
45 board which gives any advantage to one board over another board concerning product selection,
46 availability, or otherwise obtaining spirituous liquor distributed by the Commission. Any
47 violation of this subsection by the contractor, an employee of the contractor, or any person
48 working in concert with the contractor shall be grounds for the Commission to terminate the
49 contract.
50

1 (a3) Limited Product Record Required; Transparency. – The Commission shall maintain
2 a record of all products that the Commission either (i) limits distribution of due to limited
3 availability or (ii) allocates the distribution of to local boards. The record shall be updated at least
4 monthly and made available to all local boards and shall include the following for all limited
5 distribution or allocated products received by the Commission:

- 6 (1) The product code number.
- 7 (2) The brand name.
- 8 (3) The quantity received by the Commission.
- 9 (4) The date received by the Commission.
- 10 (5) The name of each local board that received the product, the date each local
11 board received the product, and the quantity each local board received.

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

- 14 (1) That an annual audited financial statement be prepared and submitted to the
15 Commission by the person contracting with the ~~Commission;~~Commission.
- 16 (2) That all warehouse records be available for inspection at all times by the
17 Commission and the Department of ~~Revenue;~~andRevenue.
- 18 (3) That all warehouse accounts relating to the receipt, storage, or distribution of
19 spirituous liquor be subject to audit by the State Auditor.

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

24 (d) Rules. – The Commission may adopt rules regarding warehouse operations, and
25 violations of those rules by a party with whom the Commission contracts shall be grounds for
26 termination by the Commission of a contract entered into under this section."

27 **SECTION 24.2.** This Part becomes effective January 1, 2022, and applies to all
28 spirituous liquor received or distributed on or after that date.

29
30 **PART XXV. ALCOHOLIC BEVERAGE MANUFACTURE SALES TAX EXEMPTION**

31 **SECTION 25.1.** G.S. 105-164.13 reads as rewritten:

32 **"§ 105-164.13. Retail sales and use tax.**

33 The sale at retail and the use, storage, or consumption in this State of the following items are
34 specifically exempted from the tax imposed by this Article:

- 35 ...
- 36 (5q) Sales of machinery, equipment, parts, and accessories to the following
37 permittees for use in the manufacture of the following items and supplies and
38 ingredients used or consumed by the permittee in the manufacturing process:
 - 39 a. The holder of an unfortified winery permit for the manufacture of
40 unfortified wine, as authorized in G.S. 18B-1101.
 - 41 b. The holder of a fortified winery permit for the manufacture of fortified
42 wine, as authorized in G.S. 18B-1102.
 - 43 c. The holder of a brewer permit for the manufacture of malt beverages,
44 as authorized in G.S. 18B-1104.
 - 45 d. The holder of a distillery permit for the manufacture of spirituous
46 liquor, as authorized in G.S. 18B-1105.

47"

48 **SECTION 25.2.** This Part is effective August 1, 2021, and applies to sales made on
49 or after that date.

50
51 **PART XXVI. CLARIFY DELIVERY SERVICE PERMIT**

1 **SECTION 26.1.** G.S. 18B-1001.4(e) reads as rewritten:

2 "(e) Scope and Construction. – A delivery service permit is not required for a common
3 carrier lawfully transporting or shipping alcoholic beverages. Nothing in this section shall be
4 construed as exempting the delivery of alcoholic beverages pursuant to a delivery service permit
5 from the requirements set forth in Article 4 of Chapter 18B of the General Statutes. Nothing in
6 this section shall be construed to require a technology services company to obtain a delivery
7 service permit if the company does not employ or contract with delivery drivers, but rather
8 provides software or an application that connects consumers and licensed retailers for the
9 delivery of alcoholic beverages from the licensed retailer. Nothing in this section shall be
10 construed to require a retailer that holds a permit issued pursuant to subdivisions (1) through (6)
11 and (16) of G.S. 18B-1001 to obtain a delivery service permit in order for employees of the retail
12 permittee to deliver malt beverages, unfortified wine, or fortified wine to a location designated
13 by the purchaser, however, the other provisions of this section apply to the retailer."
14

15 **PART XXVII. REGULATE ALCOHOL CONSUMABLES**

16 **SECTION 27.1.** G.S. 18B-101 reads as rewritten:

17 **"§ 18B-101. Definitions.**

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

19 ...

20 (4) "Alcoholic beverage" means any beverage containing at least one-half of one
21 percent (0.5%) alcohol by volume, including malt beverages, unfortified wine,
22 fortified wine, spirituous liquor, ~~and mixed beverages.~~ mixed beverages, and
23 any alcohol consumable.

24 (4a) "Alcohol consumable" means any manufactured and packaged ice cream, ice
25 pop, gum-based, or gelatin-based food product containing at least one-half of
26 one percent (0.5%) alcohol by volume.

27 ...

28 (7) "Fortified wine" means any ~~wine, or~~ wine or alcohol consumable containing
29 more than sixteen percent (16%) and no more than twenty-four percent (24%)
30 alcohol by volume, made by fermentation from grapes, fruits, berries, rice, or
31 honey; or by the addition of pure cane, beet, or dextrose sugar; or by the
32 addition of pure brandy from the same type of grape, fruit, berry, rice, or honey
33 that is contained in the base wine and produced in accordance with the
34 regulations of the United States.

35 ...

36 (9) "Malt beverage" means beer, lager, malt liquor, ale, porter, and any other
37 brewed or fermented beverage or alcohol consumable except unfortified or
38 fortified wine as defined by this Chapter, containing at least one-half of one
39 percent (0.5%), and not more than fifteen percent (15%), alcohol by volume.
40 Any malt beverage containing more than six percent (6%) alcohol by volume
41 shall bear a label clearly indicating the alcohol content of the malt beverage.

42 ...

43 (14) "Spirituous liquor" or "liquor" means distilled spirits or ethyl alcohol, and any
44 alcohol consumable containing distilled spirits or ethyl alcohol, including
45 spirits of wine, whiskey, rum, brandy, gin and all other distilled spirits and
46 mixtures of cordials, liqueur, and premixed cocktails, in closed containers ~~for~~
47 ~~beverage use~~ regardless of their dilution.

48 ...

49 (15) "Unfortified wine" means any wine ~~or~~ alcohol consumable containing
50 sixteen percent (16%) or less alcohol by volume made by fermentation from
51 grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or

1 dextrose sugar; or by the addition of pure brandy from the same type of grape,
2 fruit, berry, rice, or honey that is contained in the base wine and produced in
3 accordance with the regulations of the United States."

4 **SECTION 27.2.** G.S. 18B-206(a) reads as rewritten:

5 "(a) Authority to Set Standards. – The Commission may set standards and adopt rules for
6 ~~malt beverages, unfortified wine, fortified wine, and spirituous liquor~~ alcoholic beverages to
7 protect the public against alcoholic beverages containing harmful or impure substances, alcoholic
8 beverages containing an improper balance of substances as determined by the Commission,
9 spurious or imitation alcoholic beverages, and alcoholic beverages unfit for human consumption.
10 In setting standards and in issuing rules relating to them, the Commission may follow federal
11 guidelines for standards of identity, labeling and advertising contained in Title 27 of the Code of
12 Federal Regulations, or may adopt more restrictive standards."

13 **SECTION 27.3.** G.S. 18B-804(b) reads as rewritten:

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

16 ...

17 (6) A ~~bottle~~-charge of one cent (1¢) on each bottle containing 50 milliliters or less
18 and five cents (5¢) on each bottle containing more than 50 milliliters. For any
19 nonbottled product, a charge of one cent (1¢) on each stock keeping unit
20 containing not more than 50 milliliters and five cents (5¢) on each stock
21 keeping unit containing more than 50 milliliters.

22 ...

23 (6b) An additional ~~bottle~~-charge for local boards of one cent (1¢) on each bottle
24 containing 50 milliliters or less and five cents (5¢) on each bottle containing
25 more than 50 milliliters. For any nonbottled product, a charge of one cent (1¢)
26 on each stock keeping unit containing not more than 50 milliliters and five
27 cents (5¢) on each stock keeping unit containing more than 50 milliliters.

28"

29 **SECTION 27.4.** G.S. 18B-805 reads as rewritten:

30 **"§ 18B-805. Distribution of revenue.**

31 ...

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

34 ...

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

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

42 (1) Before making any other distribution under this subsection, the local board
43 shall set aside the clear proceeds of the three and one-half percent (3 1/2%)
44 markup provided for in G.S. 18B-804(b)(5) and the ~~bottle~~-charge provided for
45 in G.S. 18B-804(b)(6b), to be distributed as part of the remaining gross
46 receipts under subsection (e) of this section.

47"

48 **SECTION 27.5.** Section 27.1 of this Part becomes effective December 1, 2021, and
49 applies to offenses committed on or after that date. Sections 27.3 and 27.4 of this Part become
50 effective December 1, 2021, and apply to spirituous liquor sold on or after that date. The
51 remainder of this Part is effective when it becomes law.

PART XXVIII. COMMON CARRIER ABC PERMIT

SECTION 28.1. G.S. 18B-1001 is amended by adding a new subdivision to read:

"(23) Common Carrier Vehicle Permit. – Notwithstanding the results of any local election, a permit under this subdivision may be issued to a business primarily engaged in this State in the intrastate operation of common carriers of passengers and operating under a certificate of authority issued by the North Carolina Utilities Commission. A common carrier vehicle permit authorizes the sale or service of malt beverages, unfortified wine, fortified wine, and mixed beverages in the passenger area of a common carrier of passengers for consumption by passengers in the passenger area during journeys of 75 miles or longer that do not terminate within 10 miles of the origin of the journey. The permit issued to the business shall cover all common carriers of passengers owned by the business. The permit or a copy of the permit shall be prominently displayed on each common carrier of passengers on which alcoholic beverages are served or sold. Notwithstanding G.S. 18B-101(12a), the passenger area of a permittee's common carrier of passengers constitutes the premises for the permit. This permit shall not allow consumption of alcohol on a common carrier of passengers by any employee of the permittee. A permittee may not sell or serve alcoholic beverages to a passenger between the hours of 2:00 A.M. and 7:00 A.M., and a passenger may not be allowed to consume alcoholic beverages between the hours of 2:30 A.M. and 7:00 A.M. Notwithstanding G.S. 18B-1004(c) or any local ordinance, alcoholic beverages may not be sold or consumed before 10:00 A.M. on Sundays. For purposes of this subdivision, a common carrier of passengers has the same meaning as in G.S. 20-4.01(27)d."

SECTION 28.2. G.S. 18B-902(d) reads as rewritten:

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

...

(50) Common carrier vehicle permit – \$1,000."

SECTION 28.3. G.S. 18B-401 reads as rewritten:

"§ 18B-401. Manner of transportation.

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

...."

SECTION 28.4. This Part is effective 90 days after this act becomes law.

PART XXIX. AUTHORIZE INTERNATIONAL TRADE MARKET SPECIAL EVENT ABC PERMIT

SECTION 29.1. Article 10 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-1002.2. Authorization of international trade market event permit.

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

(1) International trade market. – An annual or biannual credentialed event lasting not less than five consecutive days and open only to members of a particular trade or industry.

1 (2) Managed food services company. – A company that contracts to provide food
2 services in an international trade market and that, prior to applying for an
3 international trade market event permit, possesses a mixed beverages permit
4 pursuant to G.S. 18B-1001(10) for a location within the premises described in
5 the application required by subsection (c) of this section.

6 (b) Permit Authorized. – A permit may be issued to a managed food services company to
7 authorize the managed food services company to sell or serve malt beverages, unfortified wine,
8 fortified wine, or mixed beverages on specifically defined premises in an international trade
9 market at which the managed food services company is providing services for consumption on
10 the premises.

11 (c) Limitations. – An international trade market event permit may be used for two
12 international trade market events of not more than 21 days per event during the duration of the
13 permit. Upon application, the permittee shall provide the Commission with a map or written
14 description that clearly defines the boundary of the permittee's premises within the international
15 trade market on which alcoholic beverages may be sold or served. The premises may include
16 multiple buildings and may include public or private outdoor areas, including streets and
17 sidewalks, unless prohibited by local act. The permittee may exclude certain areas from the
18 premises that are not to be served by the permittee during certain times or at certain locations.
19 The permittee shall provide signage or other clear markings indicating the boundaries of the
20 defined premises at each event. The permittee shall notify the Commission at least 30 days in
21 advance of each international trade market event and shall also notify the Commission of the
22 duration of the international trade market event. If the bounds of the premises change prior to
23 expiration of the permit, the permittee shall notify the Commission of any changes to the
24 premises.

25 (d) Local Elections Control. – Any sale or service of alcoholic beverages under an
26 international trade market event permit may only be conducted in a jurisdiction that has approved
27 the sale of the type of alcoholic beverage offered for sale or service."

28 **SECTION 29.2.** G.S. 18B-902(d) is amended by adding a new subdivision to read:

29 "(51) International trade market event permit – \$250.00."

30 **SECTION 29.3.** Notwithstanding G.S. 18B-1002.2(c), any permit issued pursuant
31 to G.S. 18B-1002.2 in the year 2021 may be used for three international trade market events of
32 not more than 21 days per event and shall expire on April 30, 2022. All other limitations provided
33 in G.S. 18B-1002.2(c) shall apply.

34 **SECTION 29.4.** This Part is effective when it becomes law.

35 36 **PART XXX. DIRECT LOCAL BOARDS TO PROVIDE DELIVERY SERVICE TO** 37 **MIXED BEVERAGE PERMITTEES**

38 **SECTION 30.1.** G.S. 18B-404 is amended by adding a new subsection to read:

39 "(f) A local board shall offer delivery service to mixed beverage permittees. In providing
40 delivery of purchased products to mixed beverage permittees, the local board may use its
41 employees or contract with one or more independent contractors and may charge a fee to the
42 permittee. A local board in a Tier 1 or Tier 2 county, as defined in G.S. 143B-472.35(a2)(18),
43 may request an exemption to this requirement from the ABC Commission. The Commission shall
44 grant the request if the local board can show evidence of unreasonable hardship or difficulty
45 incurred by implementing delivery service."

46 **SECTION 30.2.** G.S. 18B-701(a)(1) reads as rewritten:

47 "(1) Buy, sell, transport, and possess alcoholic beverages as necessary for the
48 operation of its ABC stores. ~~If a local board provides~~ In providing delivery of
49 spirituous liquor to a mixed beverages permittee, ~~as required by~~
50 G.S. 18B-404(f), the local board may use its employees or contract with ~~an~~
51 one or more independent ~~contractor~~ contractors and may charge a fee to the

1 permittee. A mixed beverage permittee may contract with an independent
2 contractor to provide delivery of spirituous liquor from an ABC board's store
3 or warehouse to the permittee's premises."

4 **SECTION 30.3.** This Part becomes effective July 1, 2022.

5
6 **PART XXXI. TOUR BOAT AMENDMENT**

7 **SECTION 31.1.** G.S. 18B-1006(i) reads as rewritten:

8 "**§ 18B-1006. Miscellaneous provisions on permits.**

9 ...

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

12 (1) A boat shall ~~serve meals on each tour and shall have a dining area with seating~~
13 ~~for at least 36 people; offer food and non-alcoholic beverages for sale on each~~
14 ~~tour.~~

15 (2) A boat's gross receipts from ~~food and non-alcoholic beverages shall be greater~~
16 ~~than its gross receipts from alcoholic beverages; sales of alcoholic beverages~~
17 ~~shall be no more than twenty-five percent (25%) of its total gross receipts.~~

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

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

27 (5) A boat conducting tours along the intracoastal waterway and navigable
28 waterways that enters into the intracoastal waterway, pursuant to a
29 preannounced itinerary that includes visits to two or more cities, may serve
30 alcoholic beverages pursuant to ABC permits issued according to the
31 jurisdiction of its home port in the following manner:

32 a. While on tour, alcoholic beverages may be served to passengers;

33 b. While docked in any other port alcoholic beverages may be served
34 only to tour passengers;

35 c. During special city-sponsored events and festivals, in which case the
36 boat may open its galley and bars at dockside to the general public and
37 sell those alcoholic beverages that are lawful in the jurisdiction in
38 which it is docked. Any sales in this manner shall be in accordance
39 with the requirements of any ordinances of the jurisdiction in which
40 the boat is docked.

41 (6) Liquor purchased for resale in mixed beverages may be purchased only from
42 the local board for the jurisdiction of the boat's home port."

43 **SECTION 31.2.** This Part becomes effective October 1, 2021, and applies to boat
44 tours conducted on or after that date.

45
46 **PART XXXII. GAME NIGHTS/RESIDENTIAL CENTERS**

47 **SECTION 32.1.** Part 4 of Article 37 of Chapter 14 of the General Statutes reads as
48 rewritten:

49 "Part 4. Game Nights.

50 "**§ 14-309.26. Game nights.**

1 (a) It is lawful for an exempt organization to conduct a game night at a qualified facility
2 in accordance with the provisions of this Part. Each regional or county chapter of an exempt
3 organization shall be eligible to conduct game nights in accordance with this Part independently
4 of its parent organization, provided that the regional or county chapter has been in continuous
5 existence for at least five years. It is lawful for persons to participate in a game night conducted
6 pursuant to this Part. It shall not constitute a violation of any State law to advertise a game night
7 conducted in accordance with this Part.

8 (a1) Notwithstanding subsection (a) of this section, an exempt organization that is exempt
9 from taxation under section 501(c)(3) of the Internal Revenue Code and operates a specialized
10 community residential center for individuals with developmental disabilities licensed pursuant
11 to G.S. 122C-23 may conduct a game night in accordance with this Part in a location that is not
12 a qualified facility if the exempt organization has been issued a special one-time permit under
13 G.S. 18B-1002(a)(5) to be used for the game night.

14 ...

15 **"§ 14-309.27. Permit procedure.**

16 (a) An exempt organization shall not operate a game night without first obtaining a permit
17 as provided by this Part. The application for a game night permit shall be on a form prescribed
18 by the Alcohol Law Enforcement ~~Branch~~-Division of the Department of Public Safety and shall
19 be submitted to the Alcohol Law Enforcement Headquarters at least 30 days in advance of the
20 date for the game night event.

21 (b) Each application for a permit under this Part shall contain the following information:

22 ...

23 (7a) The location of the facility at which the event will be held.

24 (8) The area of the ~~premises~~-facility in which the event will be held.

25 (c) A separate application shall be required for each game night event. A fee of one
26 hundred dollars (\$100.00) shall be charged for each permit. The permit fees assessed under this
27 Part are payable to the Alcohol Law Enforcement ~~Branch~~-Division of the Department of Public
28 Safety and shall be collected and used by the Alcohol Law Enforcement ~~Branch~~-Division to
29 defray the costs of issuing game night permits. The permit shall be displayed at the event. A
30 qualified facility shall not be subject to civil or criminal liability for violating this Part if the
31 exempt organization provides the facility with a permit for the game night event.

32 **"§ 14-309.28. Limits on game night events.**

33 The following limitations apply to game night events:

34 ...

35 (5) A ~~qualified facility, as defined in G.S. 18B-1000(5a),~~ facility authorized to
36 host a game night under this Part shall not host more than two game nights in
37 any calendar month.

38 ...

39 **"§ 14-309.35. Registration, possession, and transportation of gaming equipment.**

40 (a) Notwithstanding the provisions of G.S. 14-295 or G.S. 14-297, it shall be lawful to
41 possess or transport gaming tables and other gaming equipment, if the possession or
42 transportation is solely for use in game night events conducted pursuant to this Part. Gaming
43 tables and other gaming equipment possessed or transported pursuant to this Part shall not be
44 subject to seizure pursuant to G.S. 14-298 if they have been registered pursuant to the provisions
45 of this Article and are used solely in game night events conducted pursuant to this Part.

46 (b) A gaming table or other gaming equipment possessed or transported for use in a game
47 night event must be registered with the Alcohol Law Enforcement ~~Branch~~-Division of the
48 Department of Public Safety and must have a sticker affixed with a unique number. A fee of
49 twenty-five dollars (\$25.00) shall be charged for each sticker and each sticker shall be renewed
50 annually. The sticker fees assessed under this section are payable to the Alcohol Law
51 Enforcement ~~Branch~~-Division of the Department of Public Safety and shall be collected and used

1 by the Alcohol Law Enforcement ~~Branch~~-Division to defray the costs of registering the gaming
2 tables and gaming equipment. The Alcohol Law Enforcement ~~Branch~~-Division may inspect,
3 without prior notice, any gaming table or other gaming equipment used in a game night event at
4 any time immediately prior to or during the game night event. Use of a gaming table or gaming
5 equipment in a game night event that does not comply with the requirements of this subsection
6 shall be a Class 1 misdemeanor.

7 **"§ 14-309.36. Permit procedure for game night vendors.**

8 (a) No person, firm, or corporation may receive compensation for providing gaming
9 tables or gaming equipment for use in a game night without first obtaining a permit as provided
10 by this section. The application for a game night vendor permit shall be on a form prescribed by
11 the Alcohol Law Enforcement ~~Branch~~-Division of the Department of Public Safety and shall be
12 submitted to the Alcohol Law Enforcement Headquarters.

13 (b) A fee of two thousand five hundred dollars (\$2,500) shall be charged annually for
14 each permit. The permit fees assessed under this section are payable to the Alcohol Law
15 Enforcement ~~Branch~~-Division of the Department of Public Safety and shall be collected and used
16 by the Alcohol Law Enforcement ~~Branch~~-Division to defray the costs of issuing game night
17 vendor permits and ensuring compliance with this section. The game night vendor permit shall
18 be displayed at any event the game night vendor conducts.

19 (c) The Alcohol Law Enforcement ~~Branch~~-Division shall deny a permit to a person, firm,
20 or corporation that meets any of the following disqualifying conditions:

- 21 (1) Has a conviction for any violation of State or federal gambling laws within
22 the five years prior to the date of application.
- 23 (2) Has pending charges for any violation of State or federal gambling laws.
- 24 (3) Is subject to an active criminal or civil court order prohibiting involvement in
25 gambling activities.
- 26 (4) Has a conviction for any felony.

27 ...

28 (e) All gaming tables and gaming equipment owned or possessed by a game night vendor
29 must be registered pursuant to G.S. 14-309.35. The Alcohol Law Enforcement ~~Branch~~-Division
30 of the Department of Public Safety shall inspect the gaming tables and equipment of each game
31 night vendor at least one time per calendar year and may conduct any additional inspections
32 reasonably necessary to ensure compliance with G.S. 14-309.35 and this section. Inspections of
33 gaming tables and equipment shall occur (i) on the premises of a game night event that the game
34 night vendor has been employed to conduct, (ii) immediately prior to or during the game night
35 event, (iii) at locations, times, and dates chosen by the Alcohol Law Enforcement ~~Branch~~-
36 Division, and (iv) without prior notice to the game night vendor or any party that has obtained a
37 permit pursuant to G.S. 14-309.27.

38"

39 **SECTION 32.2.** This Part becomes effective October 1, 2021, and applies to game
40 nights conducted on or after that date.

41
42 **PART XXXIII. RULEMAKING, SAVINGS CLAUSE, AND EFFECTIVE DATE**

43 **SECTION 33.1.** The Alcoholic Beverage Control Commission shall adopt rules, or
44 amend its rules, consistent with the provisions of this act. The Commission may use the procedure
45 set forth in G.S. 150B-21.1 to adopt or amend any rules as required under this section.

46 **SECTION 33.2.** Prosecutions for offenses committed before the effective date of
47 this act are not abated or affected by this act, and the statutes that would be applicable but for
48 this act remain applicable to those prosecutions.

49 **SECTION 33.3.** Except as otherwise provided, this act is effective when it becomes
50 law.