

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

H

1

HOUSE BILL 502

Short Title: ABC Technical Amendments.

(Public)

Sponsors: Representative Hensley.

Referred to: Judiciary III.

March 24, 1993

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE ALCOHOLIC
3 BEVERAGE LAWS.

4 The General Assembly of North Carolina enacts:

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

6 "(13a) 'Special ABC area' means an area in a city or county, either
7 unincorporated or incorporated, with less than 500 permanent residents
8 that:

- 9 (1) Borders on another state;
10 (2) Where ABC stores are permitted in one or more cities in the
11 county;
12 (3) Where the on-premises or off-premises sale of unfortified wines
13 and malt beverages by qualified persons and establishments,
14 including persons and establishments qualified under G.S. 18B-
15 603(c) or G.S. 18B-603(d), is permitted countywide or in two or
16 more cities in the county; and such area
17 (a) Contains more than 500 contiguous acres and is made up
18 of privately-owned land and land owned by an
19 association or club having more than 200 members and
20 created for municipal and recreational purposes;
21 (b) Which for three or more years has levied assessments or
22 dues and provided municipal services; and
23 (c) Is incorporated as a municipality or has within such area
24 a private association or club that has been determined or

1 is treated by the Internal Revenue Service to be exempt
2 from tax on member source or exempt function income."

3 Sec. 2. G.S. 18B-201(a) reads as rewritten:

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

15 Sec. 3. G.S. 18B-603(d) reads as rewritten:

16 "(d) Mixed Beverage Elections. – If a mixed beverage election is held under G.S.
17 18B-602(h) and the sale of mixed beverages is approved, the Commission may issue
18 permits to qualified persons and establishments in the jurisdiction that held the election
19 as follows:

- 20 (1) The Commission may issue mixed beverage permits.
- 21 (2) The Commission may issue on-premises malt beverage, unfortified
22 wine, and fortified wine permits for establishments with mixed
23 beverage permits, regardless of any other election or any local act
24 concerning sales of those kinds of alcoholic beverages.
- 25 (3) The Commission may issue off-premises malt beverage permits to any
26 establishment that meets the requirements under G.S. 18B-1001(2) in
27 any township which has voted to permit the sale of mixed beverages,
28 regardless of any other local act concerning sales of those kinds of
29 alcoholic beverages. The Commission may also issue off-premises
30 unfortified wine permits to any establishment that meets the
31 requirements under G.S. 18B-1001(4) in any township which has
32 voted to permit the sale of mixed beverages, regardless of any other
33 local act concerning sales of those kinds of alcoholic beverages.
- 34 (4) The Commission may issue brown-bagging permits for private clubs
35 and congressionally chartered veterans organizations but may no
36 longer issue and may not renew brown-bagging permits for
37 restaurants, hotels, and community theatres. A restaurant, hotel, or
38 community theatre may not be issued a mixed beverage permit under
39 subdivision (1) until it surrenders its brown-bagging permit.
- 40 (5) The Commission may continue to issue culinary permits for
41 establishments that do not have mixed beverage permits. An
42 establishment may not be issued a mixed beverage permit under
43 subdivision (1) until it surrenders its culinary permit.

1 In any county in which the sale of mixed beverages has been approved in elections
2 in at least three cities that, combined, contain more than two-thirds the total county
3 population as of the most recent federal census, the county board of commissioners may
4 by resolution approve the sale of mixed beverages throughout the county, and the
5 Commission may issue permits as if mixed beverages had been approved in a county
6 election."

7 Sec. 4. G.S. 18B-603(f) reads as rewritten:

8 "(f) Permits Not Dependent on Elections. – The Commission may issue the
9 following kinds of permits without approval at an election:

- 10 (1) Special occasion permits;
- 11 (2) Limited special occasion permits;
- 12 (3) Brown-bagging permits for private ~~clubs;~~ clubs and congressionally
13 chartered veterans organizations;
- 14 (4) Culinary permits, except as restricted by subdivision (d)(5);
- 15 (5) Special one-time permits issued under G.S. 18B-1002;
- 16 (6) All permits listed in G.S. 18B-1100."

17 Sec. 5. G.S. 18B-603(h) reads as rewritten:

18 "(h) Permits Based on Existing Permits. – In any county in which the sale of malt
19 beverage on and off premises, the sale of unfortified wine on and off premises, the sale
20 of mixed beverages, and the operation of an ABC system has been allowed in at least
21 six cities in the county, or in any county adjacent to that county in which an ABC
22 system has been allowed and which borders on the Atlantic Ocean, the Commission
23 may issue permits to sports clubs as defined in G.S. 18B-1000(8) throughout the county.
24 The Commission may issue the following permits:

- 25 (1) On and Off Premises Malt Beverage;
- 26 (2) On and Off Premises Unfortified Wine;
- 27 (3) On and Off Premises Fortified Wine; or
- 28 (4) Mixed Beverage.

29 Retail establishments holding mixed beverage permits shall purchase their spirituous
30 liquor at the nearest municipal ABC system ~~store.~~ store or from the ABC store
31 designated by the local board for the jurisdiction in which the sports club is located. The
32 Commission may also issue on-premises malt beverage, unfortified wine, fortified wine
33 and mixed beverages permits to a sports club located in a county adjacent to any county
34 that has approved the sale of mixed beverages pursuant to the last paragraph of G.S.
35 18B-603(d), if the county in which the sports club is located borders another state and
36 has at least one city that has approved the sale of mixed beverages. Sports clubs holding
37 mixed beverages permits shall purchase their spirituous liquor at the nearest municipal
38 ABC system store that has been designated for such purchases."

39 Sec. 6. G.S. 18B-900(c) reads as rewritten:

40 "(c) Who Must Qualify; Exceptions. – For an ABC permit to be issued to and held
41 for a business, each of the following persons associated with that business must qualify
42 under subsection (a):

- 43 (1) The owner of a sole proprietorship;
- 44 (2) Each member of a firm, association or general partnership;

- 1 (2a) Each general partner in a limited partnership;
- 2 (3) Each officer, director and owner of ~~more than~~ twenty-five percent
- 3 (25%) or more of the stock of a corporation except that the
- 4 requirement of subdivision (a)(1) does not apply to such an officer,
- 5 director, or stockholder unless he is a manager or is otherwise
- 6 responsible for the day-to-day operation of the business;
- 7 (4) The manager of an establishment operated by a corporation other than
- 8 an establishment with only off-premises malt beverage, off-premises
- 9 unfortified wine, or off-premises fortified wine permits;
- 10 (5) Any manager who has been empowered as attorney-in-fact for a
- 11 nonresident individual or partnership."
- 12 Sec. 7. G.S. 18B-1004(e) reads as rewritten:
- 13 "(e) This section does not prohibit at any time the wholesale delivery and sale of
- 14 unfortified wine, fortified wine, and malt beverages to retailers issued permits pursuant
- 15 to ~~G.S. 18B-1001.~~ G.S. 18B-1001 or G.S. 18B-1002(a)(2) or (5)."
- 16 Sec. 8. G.S. 18B-1006(h) reads as rewritten:
- 17 "(h) Purchase Restrictions. – A retail permittee may purchase malt beverages,
- 18 unfortified wine, or fortified wine only from a wholesaler ~~or importer~~ who maintains a
- 19 place of business in this State and has the proper permit."
- 20 Sec. 9. G.S. 18B-1106(a) reads as rewritten:
- 21 "(a) Authorization. – The holder of a wine importer permit may:
- 22 (1) Import fortified and unfortified wines from outside the United States in
- 23 closed containers;
- 24 (2) Store those wines;
- 25 (3) Sell those wines ~~at wholesale~~ to wholesalers for purposes of resale."
- 26 Sec. 10. This act is effective upon ratification.