

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 490

Short Title: ABC Omnibus 2023.

(Public)

Sponsors: Senators Moffitt and Johnson (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 4, 2023

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

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

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

7 "**§ 18B-101. Definitions.**

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

9 ...

10 (8b) "Premixed cocktail" means a drink containing at least one-half of one percent
11 (0.5%), and no more than eleven percent (11%), alcohol by volume and
12 consisting of spirituous liquor premixed with any or all of the following:
13 nonalcoholic beverages, flavoring, or coloring. A premixed cocktail may
14 contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives,
15 and other similar products manufactured by fermenting fruit or fruit juices.

16 ...

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

- 18 a. ~~A~~a drink composed in whole or in part of spirituous liquor and served
19 in a quantity less than the quantity contained in a closed package.
20 b. ~~A premixed cocktail served from a closed package containing only one~~
21 ~~serving.~~

22"

23 **SECTION 1.(b)** G.S. 18B-804(b)(8) reads as rewritten:

24 "(8) If the spirituous liquor is sold to a mixed beverage permittee for resale in
25 mixed beverages, a charge of twenty dollars (\$20.00) on each four liters and
26 a proportional sum on lesser quantities. This subdivision shall not apply to
27 premixed cocktails sold to a mixed beverage permittee in a closed package for
28 resale in or from the closed package, and a mixed beverages tax stamp shall
29 not be required on such closed packages."

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

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

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



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- 1 (2) Refill any spirituous liquor container having a mixed beverages tax stamp with
2 any other alcoholic beverage, or add to the contents of such a container any
3 other alcoholic beverage.
- 4 (3) Transfer from one container to another a mixed beverages tax stamp.
- 5 (4) Possess any container of spirituous liquor not bearing a mixed beverages tax
6 stamp, except for containers being brought onto the premises by the host of a
7 private function under a special occasion ~~permit~~permit or premixed cocktails
8 sold to a mixed beverage permittee in a closed package for resale in or from
9 the closed package."

11 ALLOW ABC COMMISSION MEMBERS AND STAFF TO SAMPLE PRODUCTS

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

14 "§ 18B-209. Authority to sample for sensory analysis and quality control.

15 Notwithstanding G.S. 18B-201(d) and G.S. 133-32, and any other provision of law, members
16 and employees of the Commission may consume samples of products under consideration for
17 approval for sale in this State, free of charge, for purposes of sensory analysis or quality control.
18 No person may consume more than one 0.25 ounce tasting sample of each product for this
19 purpose. Such a sample shall not constitute a gift for purposes of G.S. 133-32."

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

22 "§ 18B-707. Authority to sample for sensory analysis and quality control.

23 Notwithstanding G.S. 18B-201(d) and G.S. 133-32, and any other provision of law, members
24 of a local board may consume samples of products under consideration for approval for sale by
25 the local board, free of charge, for purposes of sensory analysis or quality control. No person
26 may consume more than one 0.25 ounce tasting sample of each product for this purpose. Such a
27 sample shall not constitute a gift for purposes of G.S. 133-32."

29 LOCAL ABC BOARD SUNDAY OPTION AND FLEXIBILITY ON CERTAIN 30 HOLIDAYS

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

32 "§ 18B-802. When stores operate.

33 (a) Time. – No ABC store shall be open, and no ABC store employee shall sell alcoholic
34 beverages, between 9:00 P.M. and 9:00 A.M. On Sundays, where the appointing authority of a
35 local board has authorized Sunday sales, no ABC store shall be open, and no ABC store employee
36 shall sell alcoholic beverages, before 12:00 noon. The local board shall otherwise determine
37 opening and closing hours of its stores.

38 (b) Days. – No ABC store shall be open, and no ABC store employee shall sell alcoholic
39 beverages, on any Sunday, New Year's Day, Fourth of July, Labor Day, Sunday unless authorized
40 by an ordinance adopted pursuant to G.S. 18B-112(b2), 153A-145.7(b), or 160A-205.3(b),
41 Thanksgiving Day, or Christmas Day. A local board may otherwise determine the days on which
42 its stores shall be closed."

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

44 "(b2) In accordance with G.S. 18B-802(b), and only if the tribal alcoholic beverage control
45 commission petitions the Eastern Band of Cherokee Indians tribe to do so, the Eastern Band of
46 Cherokee Indians tribe may adopt an ordinance allowing the tribal alcoholic beverage control
47 commission to operate ABC stores on Sundays."

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

49 "§ 153A-145.7. Hours of certain alcohol sales.

1 (a) In accordance with G.S. 18B-1004(c), a county may adopt an ordinance allowing for
2 the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at
3 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001.

4 (b) In accordance with G.S. 18B-802(b), and only if a local ABC board appointed by the
5 board of county commissioners petitions the board of county commissioners to do so, a county
6 may adopt an ordinance allowing the local ABC board to operate ABC stores on Sundays."

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

8 "**§ 160A-205.3. Hours of certain alcohol sales.**

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

12 (b) In accordance with G.S. 18B-802(b), and only if a local ABC board appointed by the
13 governing body of a city petitions the governing body of the city to do so, a city may adopt an
14 ordinance allowing the local ABC board to operate ABC stores on Sundays. For a local ABC
15 board with multiple municipal appointing authorities, the local ABC board may operate ABC
16 stores on Sundays in any municipality that is an appointing authority for the local ABC board
17 and that adopts an ordinance allowing the local board to do so."

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

19 "(c) Sunday Hours. – Except as authorized pursuant to G.S. 18B-112(b1), ~~153A-145.7, or~~
20 ~~160A-205.3, 153A-145.7(a), or 160A-205.3(a)~~, it shall be unlawful to sell or consume alcoholic
21 beverages on any licensed premises from the time at which sale or consumption must cease on
22 Sunday morning until 12:00 Noon on that day."

23 24 **RAISE CAP ON POINT-OF-SALE ADVERTISING MATERIALS, PRODUCT** 25 **DISPLAYS, AND COOLERS**

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

27 "(c) An industry member may give, furnish, loan, rent, or sell retailer advertising specialty
28 items and product displays to a retail permittee, so long as the items have not been customized
29 for an individual retail permittee, and provided that the value of the items per brand does not
30 exceed one thousand dollars (\$1,000) per year. For the purposes of this subsection, the following
31 definitions apply:

- 32 (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items
33 from which malt beverages, wine, or spirituous liquor are displayed and sold.
34 (2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal
35 checks, paper napkins, glassware, cups, foam scrapers, back bar mats,
36 thermometers, and other similar items that bear advertising matter, and shall
37 not include branded plug-in coolers."

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

39 "**§ 18B-809. Use of branded plug-in coolers.**

40 No rule or decision of the Commission may limit or restrict the giving, lending, or selling by
41 industry members of branded plug-in coolers used to hold and display ~~products, products in an~~
42 ABC store, provided that the total value of coolers are under the dollar limits set forth by the
43 Commission for product displays, per brand is less than one thousand five hundred dollars
44 (\$1,500). A branded plug-in cooler shall have permanent and conspicuous branding that is
45 permanently attached or securely affixed to the cooler."

46 47 **ALLOW TO-GO AND DELIVERY SALES OF MIXED BEVERAGES**

48 **SECTION 5.(a)** G.S. 18B-1001(10) reads as rewritten:

49 "(10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail
50 sale of mixed beverages for consumption on the premises. The permit also
51 authorizes a mixed beverages permittee to obtain an antique spirituous liquor

1 permit under subdivision (20) of this section and to use for culinary purposes
 2 spirituous liquor lawfully purchased for use in mixed beverages. The permit
 3 may be issued for any of the following:

- 4 a. Restaurants.
- 5 b. Hotels.
- 6 c. Private clubs.
- 7 d. Convention centers.
- 8 e. Community theatres.
- 9 f. Nonprofit organizations.
- 10 g. Political organizations.
- 11 h. Sports and entertainment venues.
- 12 i. Private bars.
- 13 j. The holder of a distillery permit authorized under G.S. 18B-1105.

14 Additionally, a mixed beverages permit authorizes a permittee that is a
 15 restaurant, hotel, private club, bar, or the holder of a distillery permit to sell at
 16 retail mixed beverages for consumption off the premises, including delivery
 17 by the permittee or a delivery service permittee. A mixed beverage sold for
 18 consumption off the premises shall be packaged in a container with a secure
 19 lid or cap and in a manner designed to prevent consumption without removal
 20 of the lid or cap. The container shall be no greater than 750 milliliters.
 21 Notwithstanding G.S. 20-138.7, the transportation of a mixed beverage shall
 22 not be unlawful if the container continues to be sealed and is in the passenger
 23 area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than
 24 one mixed beverage drink at one time shall not be unlawful if the mixed
 25 beverage drinks are sold for delivery and consumption off the permittee's
 26 premises. No mixed beverage ordered for off-premises consumption shall be
 27 provided to any person other than the purchaser of the mixed beverage, except
 28 that in the case of delivery, the delivery service permittee may provide the
 29 mixed beverage to a person other than the purchaser if the permittee verifies
 30 that the person is over 21 years of age using age verification software requiring
 31 the recipient to provide a form of photographic identification authorized in
 32 G.S. 18B-302(d)(1)."

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

34 **"§ 20-138.7. Transporting an open container of alcoholic beverage.**

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

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

42"

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

44 **"§ 18B-1001.4. Authorization of delivery service permit.**

45 (a) Authorization. – The holder of a delivery service permit, or the permit holder's
 46 employee or independent contractor, may deliver malt beverages, unfortified wine, ~~or~~-fortified
 47 ~~wine~~-wine, or mixed beverages meeting the requirements of G.S. 18B-1001(10), on behalf of a
 48 retailer holding a permit issued pursuant to subdivisions (1) through (6) and (16) of
 49 ~~G.S. 18B-1001~~-G.S. 18B-1001, or a restaurant holding a mixed beverages permit issued pursuant
 50 to G.S. 18B-1001(10) when delivered with food sold by the restaurant, to a location designated
 51 by the purchaser. A delivery service permittee may also facilitate delivery through technology

1 services that connect consumers and licensed retailers through the use of the Internet, mobile
2 applications, and other similar technology.

3 (b) Training and Payment. – Prior to making any deliveries, each individual delivering
4 alcoholic beverages pursuant to a delivery service permit shall successfully complete a course
5 approved by the Commission related to the delivery of alcoholic beverages. Upon receipt of a
6 proposed training program from a holder of a delivery service permit, the Commission shall have
7 15 business days to approve, deny, or request modifications to the proposed training program.
8 An individual delivering alcoholic beverages pursuant to a delivery service permit shall not
9 handle or possess funds used to purchase an alcoholic beverage that is to be delivered, but may
10 facilitate the sales transaction in a manner that does not involve taking possession of funds.

11 (c) Age of Recipient and Notice. – An individual may only deliver alcoholic beverages
12 pursuant to a delivery service permit to an individual who is at least 21 years of age and who
13 immediately takes actual possession of the alcoholic beverages purchased. Delivery of mixed
14 beverages shall be made in accordance with G.S. 18B-1001(10). A delivery of alcoholic
15 beverages in a package that obscures the manufacturer's original packaging shall have affixed to
16 the outside of the package a notice in 26-point type or larger stating: "CONTAINS ALCOHOLIC
17 BEVERAGES; AGE VERIFICATION REQUIRED."

18 (d) Limitations. – A delivery service permittee shall deliver alcoholic beverages only
19 within the time allowed for lawful sales and consumption in the jurisdiction where the delivery
20 is located. No delivery shall be made to any jurisdiction within the State that has not authorized
21 the sale of the purchased alcoholic beverages. A delivery service permittee shall not deliver
22 alcoholic beverages to the premises of another licensed retailer or more than 50 miles from the
23 retailer's licensed premises. Only alcoholic beverages purchased for personal consumption and
24 from a licensed retailer's existing inventory located on the retailer's premises may be delivered
25 pursuant to a delivery service ~~permit~~ permit, except for mixed beverages in sealed containers
26 meeting the requirements of G.S. 18B-1001(10).

27 (e) Scope and Construction. – A delivery service permit is not required for a common
28 carrier lawfully transporting or shipping alcoholic beverages. Nothing in this section shall be
29 construed as exempting the delivery of alcoholic beverages pursuant to a delivery service permit
30 from the requirements set forth in Article 4 of Chapter 18B of the General Statutes. Nothing in
31 this section shall be construed to require a technology services company to obtain a delivery
32 service permit if the company does not employ or contract with delivery drivers, but rather
33 provides software or an application that connects consumers and licensed retailers for the
34 delivery of alcoholic beverages from the licensed retailer. Nothing in this section shall be
35 construed to require a retailer that holds a permit issued pursuant to subdivisions (1) through ~~(6)~~
36 (6), (10), and (16) of G.S. 18B-1001 to obtain a delivery service permit in order for employees
37 of the retail permittee to deliver malt beverages, unfortified wine, or fortified wine to a location
38 designated by the purchaser, however, the other provisions of this section apply to the retailer.

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

1
2 **ALLOW MIXED BEVERAGE PERMITTEES TO PURCHASE SPIRITUOUS LIQUOR**
3 **FROM ANY ABC STORE IN THE SAME COUNTY**

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

5 **"§ 18B-404. Additional provisions for purchase and transportation by mixed beverage**
6 **permittees.**

7 (a), (b) Repealed by Session Laws 2022-44, s. 3(h), effective July 7, 2022.

8 (c) ~~Designated Store. — A local board may designate a store within its system to make~~
9 ~~sales to mixed beverages permittees.~~

10 ...

11 (g) No Designated Store. — A mixed beverage permittee may purchase spirituous liquor
12 from any ABC store located in the same county as the permittee, except that in counties served
13 by a multicounty local board, a mixed beverage permittee may purchase spirituous liquor from
14 any ABC store operated by the local board."

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

16 **"§ 18B-600. Places eligible to hold alcoholic beverage elections.**

17 ...

18 (e) City Mixed Beverage Elections. — A city may hold a mixed beverage election if the
19 city has at least 500 registered voters. Provided, that if a city that qualifies for an election under
20 this subsection approves the sale of mixed beverages, a mixed beverages permittees-permittee in
21 the city may purchase liquor from the ABC store designated by the local ABC board that has
22 been approved by the Commission for this purpose.any ABC store located in the county where
23 the mixed beverages permittee is located.

24 (e1) Small City Mixed Beverage Elections. — A city may also hold a mixed beverage
25 election if the city has at least 300 registered voters and is located in a county with at least one
26 other city that has approved the sale of mixed beverages. Provided, that if a city that qualifies for
27 an election under this subsection approves the sale of mixed beverages, a mixed beverages
28 permittees-permittee in the smaller city may purchase liquor from the ABC store designated by
29 any local ABC board in any other city that has approved the sale of mixed beverages.any ABC
30 store located in the county where the mixed beverages permittee is located.

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

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

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

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

- 1 (1) The city may hold a malt beverage or unfortified wine election if any county
- 2 in which a portion of the city is located has already held such an election, the
- 3 vote in the last election of the particular type was against the sale of that type
- 4 of alcoholic beverage, and the city has a population of 500 or more.
- 5 (2) The city may hold a mixed beverage election if the city has at least 500
- 6 registered voters and a county in which a portion of the city is located operates
- 7 ABC stores, or a municipality in either county in which the city is located
- 8 operates an ABC store.
- 9 (3) If an election is held by a city under this subsection, all of the city voters may
- 10 vote in the election. If the vote is for approval, alcoholic beverages may be
- 11 sold on the basis of that approval and under the provisions of this Chapter. If
- 12 the sale of mixed beverages is approved, ~~the a mixed beverage permittees shall~~
- 13 ~~permittee may purchase their liquor from one or more ABC stores located~~
- 14 ~~within the city that have been designated by the local boards for those~~
- 15 ~~purchases.~~ any ABC store operated by the local board. The remaining gross
- 16 receipts shall be distributed in accordance with existing law applicable to
- 17 those ABC stores, except that after the applicable distributions have been
- 18 made pursuant to G.S. 18B-805(b), (c), and (d), the local share of the mixed
- 19 beverages surcharge and the guest room cabinet surcharge required by
- 20 G.S. 18B-804(b)(8) and (9) shall be distributed one-half to the general fund of
- 21 the city where the mixed beverage permittees are located and one-half to the
- 22 local ABC boards from whose stores liquor is purchased.

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

24 it:

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

31 Provided, that if a town that qualifies for an election under this subsection approves the sale

32 of mixed beverages, a mixed beverages permittee ~~permittees permittee~~ in the town may purchase liquor

33 from ~~the ABC store designated by any local ABC board in any other city that has approved the~~

34 ~~sale of mixed beverages.~~ any ABC store in the county where the mixed beverages permittee is

35 located.

36 "

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

38 "(a) Purchases. – A mixed beverages permittee may purchase spirituous liquor for resale

39 as mixed beverages and a guest room cabinet permittee may purchase spirituous liquor for resale

40 from a guest room cabinet only at an ABC store ~~designated by a local board.~~ located in the same

41 county as the permittee."

42

43 **ALLOW MIXED BEVERAGE PERMITTEES TO COVER MIXED BEVERAGE TAX**

44 **STAMPS WITH CLEAR ADHESIVE TO PREVENT THEM FROM FALLING OFF**

45 **CONTAINERS OF SPIRITUOUS LIQUOR**

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

47 "(e) A mixed beverages permittee may not destroy, alter, or deface the mixed beverages

48 tax stamp or any other stamp, label, seal, or device required by law to be affixed to a spirituous

49 liquor container before the container has been emptied. However, the permittee may cover the

50 tax stamp with a clear adhesive for the purpose of preventing the tax stamp from being detached

1 from the container, provided that the tax stamp shall remain legible and capable of being
2 permanently defaced when the container is empty."
3

4 INCREASE TRANSPARENCY IN SALES OF ALLOCATED SPIRITUOUS LIQUORS

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

7 "§ 18B-210. Allocated spirituous liquors.

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

9 (1) Allocated products. – Containers of spirituous liquor that are made available
10 to local boards only by lottery or in allotted quantities.

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

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

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

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

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

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

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

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

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

42 "§ 132-1.2. Confidential information.

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

45 ...

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

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

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

8 9 **SPECIAL PURCHASE ALLOWANCE MODIFICATION**

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

12 **"§ 18B-211. Special purchase allowance limitation.**

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

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

20 21 **ALLOW ABC STORES TO SELL BRANDED CONSUMER SPECIALTY ITEMS AND** 22 **VALUE-ADDED PRODUCTS, GIFT CARDS, AND BARRELS**

23 **SECTION 10.** G.S. 18B-800 reads as rewritten:

24 **"§ 18B-800. Sale of alcoholic beverages in ABC stores.**

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

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

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

44 **(b2) Gift Cards.** – ABC stores may sell physical or electronic gift cards. The ABC store
45 shall not collect sales tax for the sale of the gift card. A gift card may be purchased or redeemed
46 only by a customer 21 years of age or older. A gift card may be redeemed at any ABC store
47 operated by the local board from which the gift card was purchased.

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

51 ...

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

12"

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

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

16 **"§ 18B-708. Sale of certain spirituous liquors below distiller's price.**

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

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

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

26 **"§ 18B-108. Sales on trains.**

27 Alcoholic beverages may be sold on railroad trains in this State upon compliance with Article
28 2C of Chapter 105 of the General Statutes. Malt beverages, unfortified wine, and fortified wine
29 may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or
30 agent of a rail line that carries at least 60,000 passengers ~~annually~~annually or is at least 100 miles
31 long and connects to the federal rail network."

32 **ALLOW SALE OF TWO MIXED BEVERAGES AT SPIRITUOUS LIQUOR SPECIAL** 33 **EVENTS**

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

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

- 38 (1) The sale of mixed beverages in conjunction with a consumer tasting is not
39 authorized at shopping malls, street festivals, holiday festivals, or balloon
40 races.
- 41 (2) The mixed beverages shall contain only spirituous liquor distilled or produced
42 at the distillery.
- 43 (3) The permit holder or the permit holder's authorized agent shall conduct the
44 sale of mixed beverages, and the permit holder shall be solely responsible for
45 any violations of this Chapter occurring in connection with the event.
- 46 (4) The permit holder or the permit holder's authorized agent may only sell mixed
47 beverages containing products from one distillery per booth, kiosk, or display.
48
49
50

- 1 (5) The mixed beverage shall be prepared only by either (i) the permit holder or
2 the permit holder's authorized agent conducting the consumer tasting or (ii) an
3 employee of the permit holder or the permit holder's authorized agent
4 conducting the consumer tasting who is at least 21 years of age.
- 5 (6) The permit holder or the permit holder's authorized agent shall not knowingly
6 sell more than ~~one mixed beverage~~ two mixed beverages to a customer per
7 calendar day, per distillery.
- 8 (7) The permit holder or the permit holder's authorized agent shall not sell or serve
9 mixed beverages to any consumer who is visibly intoxicated.
- 10 (8) The permit holder or the permit holder's authorized agent shall not sell or serve
11 mixed beverages to any consumer under 21 years of age. The person preparing
12 the mixed beverage shall be responsible for verifying the age of the consumer
13 being served by checking the identification of the consumer.
- 14 (9) The sale of mixed beverages shall not be allowed unless the venue is located
15 in a jurisdiction that has approved the sale of mixed beverages.
- 16 (10) Mixed beverages may not be sold between the hours of 2:00 A.M. and 7:00
17 A.M., except that on Sundays mixed beverages may not be sold until 12:00
18 noon unless otherwise authorized by local ordinance pursuant to
19 G.S. 153A-145.7 or G.S. 160A-205.3."
20

21 TRANSITION PERIOD FOR ABC PERMITTEE OWNERSHIP CHANGES

22 SECTION 14. G.S. 18B-903(c)(2) reads as rewritten:

- 23 "(2) Notwithstanding subsection (e) of this section, any person who through
24 contract, lease, management agreement, or change of ownership or transfer of
25 business as provided in subdivision (1) of this subsection becomes lawfully
26 entitled to use and control of the premises of an establishment that holds
27 permits immediately prior to such change of ownership may continue to
28 operate the establishment, as successor to the prior permittee, to the same
29 extent as the predecessor permittee until the person receives a temporary or
30 new permit, subject to the following limitations:
- 31 a. The person shall provide written or electronic notice to the
32 Commission of the name of the non-permitted person, the name and
33 address of the permitted establishment, and the date of the change in
34 ownership. The person may not operate the establishment as provided
35 in this subdivision until the person has provided notice to the
36 Commission.
- 37 b. The person shall submit a new permit application to the Commission
38 within ~~60-120~~ days after the change of ownership. The Commission
39 may allow a permittee additional time beyond the 120-day period in
40 its discretion. If the person does not apply for a new permit within 60
41 120 days, and the Commission has not agreed to extend the time period
42 to submit a new permit application, all permits for the establishment
43 shall automatically expire and shall be surrendered to the Commission.
- 44 c. The ~~60-day~~ 120-day period to file a new permit application shall only
45 be allowed once per 24 months for each establishment that holds an
46 ABC permit, unless the establishment requests and the Commission
47 grants a waiver of the 24 month requirement. The Commission shall
48 grant a waiver of the 24 month requirement if it determines that the
49 public health, safety, and welfare would not be harmed by granting the
50 waiver.

1 d. This subdivision shall apply only to establishments that hold ABC
2 permits that are in good standing and that have not been found
3 responsible by the Commission or a court of competent jurisdiction of
4 a gambling, assault, disorderly conduct, prostitution, or controlled
5 substances violation within 12 months prior to the date the
6 non-permitted person becomes entitled to use and control of the
7 establishment."
8

9 **SEVERABILITY CLAUSE AND EFFECTIVE DATE**

10 **SECTION 15.(a)** If any provision of this act or the application thereof to any person
11 or circumstances is held invalid, such invalidity shall not affect other provisions or applications
12 of this act that can be given effect without the invalid provision or application and, to this end,
13 the provisions of this act are declared to be severable.

14 **SECTION 15.(b)** Except as otherwise provided, this act is effective when it becomes
15 law.