S SENATE DRS75133-MA-247 (03/24)

Short Title: Spirituous Liquor Sales/Tastings-Distilleries. (Public)

Sponsors: Senator Nesbitt.

Referred to:

1 A BILL TO BE ENTITLED

AN ACT TO ALLOW DISTILLERIES IN NORTH CAROLINA TO SELL AT RETAIL SPIRITUOUS LIQUOR THAT HAS BEEN DISTILLED AT THE LICENSED DISTILLERY FOR THE PRICE SET BY THE NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION OF THAT PARTICULAR BRAND OF SPIRIT TO INCLUDE ALL APPLICABLE EXCISE AND SALES TAXES AND TO ALLOW SPIRITUOUS LIQUOR TASTINGS AT DISTILLERIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-1105 reads as rewritten:

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

- (a) Authorized Acts. The holder of a distillery permit may:
 - (1) Manufacture, purchase, import, possess and transport ingredients and equipment used in the distillation of spirituous <u>liquor; liquor</u>.
 - (2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to exporters and local boards within the State, and, subject to the laws of other jurisdictions, at wholesale or retail to private or public agencies or establishments of other states or nations; nations.
 - (3) Transport into or out of the distillery the maximum amount of liquor allowed under federal law, if the transportation is related to the distilling process.
 - (4) Sell spirituous liquor, distilled at the distillery, in closed containers at retail on the premises of the distillery for consumption off the premises. Spirituous liquor sold at a distillery pursuant to this subdivision shall be sold at the price set by the Commission to include all applicable excise and sales taxes. Retail sales of spirituous liquor pursuant to this subdivision shall be subject to the hours of sales provision in G.S. 18B-1004. The Commission shall adopt rules regulating the retail sale of spirituous liquor at distilleries.
- (b) Distilleries for Fuel Alcohol. Any person in possession of a Federal Operating Permit pursuant to Title 27, Code of Federal Regulations, Part 201.64 through 201.65 or Part 201.131 through 201.138 shall obtain a fuel alcohol permit before manufacturing any alcohol. The permit shall entitle the permittee to perform only those acts allowed by the Federal Operating Permit, and all conditions of the Federal Operating Permit shall apply to the State permit."
- **SECTION 2.** Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:
- "§ 18B-1105.2. Spirituous liquor tasting at distilleries.



The holder of any distillery permit authorized by G.S. 18B-1105 may conduct a consumer 1 2 tasting event at the distillery subject to the following conditions: 3 Any person pouring wine at a wine tasting shall be an employee of the (1) 4 distillery and at least 21 years of age. 5 The person pouring the spirituous liquor shall be responsible for checking **(2)** 6 the identification of patrons being served at the tasting. 7 Each consumer is limited to tasting samples which total no more than 1.5 (3) 8 ounces of spirituous liquor in any calendar day. 9 The consumer shall not be charged for any spirituous liquor tasting sample. <u>(4)</u> 10 The spirituous liquor used in the consumer tasting event shall be distilled at (5) 11 the distillery where the event is being held by the permit holder conducting 12 the event. 13 A consumer tasting event shall not be allowed when the sale of spirituous (6) 14 liquor is otherwise prohibited. 15 Tasting samples are not to be offered to, or allowed to be consumed by, any <u>(7)</u> person under the legal age for consuming spirituous liquor. 16 17 A consumer tasting event may not be advertised by the permit holder in any (8) type of media, including, but not limited to, print, radio, television, Internet, 18 19 and signage. 20 The distillery permit holder shall be solely liable for any violations of this Chapter occurring in connection with the tasting. The Commission shall adopt rules to assure that the 21 22 tastings are limited to samplings and not a subterfuge for the unlawful sale or distribution of 23 spirituous liquor and that the tastings are not used by industry members for unlawful 24 inducements to retail permit holders." 25

SECTION 3. This act becomes effective October 1, 2011.

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