

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 642

Short Title: Brewery/Sales at Brewery & Retail Locations. (Public)

Sponsors: Representatives Hardister, Bradford, Malone, and Harrison (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Alcoholic Beverage Control

April 10, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE THE NUMBER OF ADDITIONAL RETAIL LOCATIONS  
3 WHERE A BREWERY MAY SELL ITS MALT BEVERAGES AND TO AUTHORIZE A  
4 BREWERY TO SELL ITS MALT BEVERAGES AT THE BREWERY REGARDLESS  
5 OF THE RESULTS OF ANY MALT BEVERAGE ELECTION.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 18B-1104(7) reads as rewritten:

8 "(7) ~~In an area where the sale of any type of alcoholic beverage is authorized by~~  
9 ~~law, Regardless of the results of any malt beverage election,~~ sell the  
10 brewery's malt beverages or malt beverages manufactured by the permittee  
11 in some other state that have been approved by the Commission for sale in  
12 North Carolina only at the brewery upon (i) receiving a permit under  
13 ~~G.S. 18B-1001(1).~~ G.S. 18B-1001(1) and (ii) receiving approval from the  
14 governing body of the city where the brewery is located or, if the brewery is  
15 not located in a city, the governing body of the county where the brewery is  
16 located."

17 **SECTION 2.** G.S. 18B-1104 reads as rewritten:

18 "§ 18B-1104. Authorization of brewery permit.

19 The holder of a brewery permit may:

20 ...

21 (8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at  
22 wholesale only malt beverages manufactured by the brewery. The  
23 authorization of this subdivision applies to a brewery that sells, to consumers  
24 at the brewery, to wholesalers, to retailers, and to exporters, fewer than  
25 25,000 barrels, as defined in G.S. 81A-9, of malt beverages produced by it  
26 per year. ~~A~~ Except as otherwise provided in this subdivision, a brewery not  
27 exceeding the sales quantity limitations in this subdivision may also sell the  
28 malt beverages manufactured by the ~~brewery~~ brewery, and malt beverages  
29 produced under subdivision (6a) of this section, at not more than ~~three~~ 10  
30 other locations in the State, where the sale is legal, upon obtaining the  
31 appropriate permits under G.S. 18B-1001. A brewery operating any  
32 additional retail location pursuant to this subdivision under a different  
33 business name than that used at the brewery shall also offer for sale at that  
34 location a reasonable selection of competitive malt beverage products. A



1 sale at an additional retail location pursuant to this subdivision shall not be  
2 considered a wholesale sale under the ABC laws.

3 A sale or gift under subdivision (5) or (6) shall not be considered a retail or wholesale sale  
4 under the ABC laws."

5 **SECTION 3.** G.S. 18B-1116(a) reads as rewritten:

6 "(a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of  
7 any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or  
8 indirectly to:

- 9 (1) Require that an alcoholic beverage retailer purchase any alcoholic beverages  
10 from that person to the full or partial exclusion of any other alcoholic  
11 beverages offered for sale by other persons in this State; or  
12 (2) Have any direct or indirect financial interest in the business of any alcoholic  
13 beverage retailer in this State or in the premises where the business of any  
14 alcoholic beverage retailer in this State is conducted; or  
15 (3) Lend or give to any alcoholic beverage retailer in this State or his employee  
16 or to the owner of the premises where the business of any alcoholic beverage  
17 retailer in this State is conducted, any money, service, equipment, furniture,  
18 fixtures or any other thing of value.

19 A brewery qualifying under ~~G.S. 18B-1104(8) to act as a wholesaler or retailer of its own~~  
20 ~~malt beverages subdivision (7) or (8) of G.S. 18B-1104~~ is not subject to the provisions of this  
21 ~~subsection~~ section concerning financial interests in, and lending or giving things of value to, a  
22 wholesaler or retailer with respect to the brewery's transactions with the retail business on its  
23 ~~premises~~ premises or other retail locations allowed under G.S. 18B-1104(8). The brewery is  
24 subject to the provisions of this subsection, however, with respect to its transactions with all  
25 other wholesalers and retailers."

26 **SECTION 4.** This act is effective when it becomes law.