

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 155
Finance Committee Substitute Adopted 5/31/17
House Committee Substitute Favorable 6/22/17
House Committee Substitute #2 Favorable 6/26/17
Fifth Edition Engrossed 6/27/17

Short Title: ABC Omnibus Legislation.

(Public)

Sponsors:

Referred to:

March 2, 2017

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

4 The General Assembly of North Carolina enacts:

5
6 **DISTILLERY PERMIT AMENDMENTS**

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

8 **"§ 18B-1105. Authorization of distillery permit.**

9 (a) Authorized Acts. – The holder of a distillery permit may do any of the following:

- 10 (1) Manufacture, purchase, import, possess and transport ingredients and
11 equipment used in the distillation of spirituous liquor.
- 12 (2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to
13 exporters and local boards within the State, and, subject to the laws of other
14 jurisdictions, at wholesale or retail to private or public agencies or
15 establishments of other states or nations.
- 16 (3) Transport into or out of the distillery the maximum amount of liquor allowed
17 under federal law, if the transportation is related to the distilling process.
- 18 (4) Sell spirituous liquor distilled at the distillery in closed containers to visitors
19 who tour the distillery for consumption off the premises. Sales under this
20 subdivision are allowed only in a county where the establishment of a county
21 or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and
22 are subject to the time and day restrictions in G.S. 18B-802. Spirituous
23 liquor sold under this subdivision shall (i) be listed as a code item for sale in
24 the State, (ii) be sold at the price set by the Commission for the code item
25 pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle a sticker that
26 bears the words "North Carolina Distillery Tour Commemorative Spirit" in
27 addition to any other labeling requirements set by law. Consumers
28 purchasing spirituous liquor under this subdivision are limited to purchasing,
29 and the selling distillery is limited to selling to each consumer, no more than
30 ~~one bottle~~ five bottles of spirituous liquor per 12 month period. The distillery
31 shall use a commonly adopted standard point of sale system to maintain
32 searchable electronic records captured at the point of sale, to include the
33 purchaser's name, drivers license number, and date of birth for at least 12



1 months from the date of purchase. The Commission shall adopt rules
2 regulating the retail sale of spirituous liquor under this subdivision.

3 (5) Conduct consumer tastings in accordance with G.S. 18B-1114.7.

4 (b) Distilleries for Fuel Alcohol. – Any person in possession of a Federal Operating
5 Permit pursuant to Title 27, Code of Federal Regulations, Part 19 (April 1, 2010 Edition), shall
6 obtain a fuel alcohol permit before manufacturing any alcohol. The permit shall entitle the
7 permittee to perform only those acts allowed by the Federal Operating Permit, and all
8 conditions of the Federal Operating Permit shall apply to the State permit."

9 **SECTION 1.(b)** G.S. 18B-804 is amended by adding a new subsection to read:

10 **"§ 18B-804. Alcoholic beverage pricing.**

11 (a) Uniform Price of Spirituous Liquor. – The retail price of spirituous liquor sold in
12 ABC stores and permitted distilleries shall be uniform throughout the State, unless otherwise
13 provided by the ABC law.

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 (1) The distiller's or the antique spirituous liquor seller's price.

17 (2) The freight and bailment charges of the State warehouse as determined by
18 the Commission.

19 (3) A markup for local boards as determined by the Commission.

20 (4) The tax levied under G.S. 105-113.80(c), which shall be levied on the sum
21 of subdivisions (1), (2), and (3).

22 (5) An additional markup for local boards equal to three and one-half percent (3
23 1/2%) of the sum of subdivisions (1), (2), and (3).

24 (6) A bottle charge of one cent (1¢) on each bottle containing 50 milliliters or
25 less and five cents (5¢) on each bottle containing more than 50 milliliters.

26 (6a) The bailment surcharge.

27 (6b) An additional bottle charge for local boards of one cent (1¢) on each bottle
28 containing 50 milliliters or less and five cents (5¢) on each bottle containing
29 more than 50 milliliters.

30 (7) A rounding adjustment, the formula of which may be determined by the
31 Commission, so that the sale price will be divisible by five.

32 (8) If the spirituous liquor is sold to a mixed beverage permittee for resale in
33 mixed beverages, a charge of twenty dollars (\$20.00) on each four liters and
34 a proportional sum on lesser quantities.

35 (9) If the spirituous liquor is sold to a guest room cabinet permittee for resale, a
36 charge of twenty dollars (\$20.00) on each four liters and a proportional sum
37 on lesser quantities.

38 (b1) Price of Spirituous Liquor Sold at Distillery. – When the holder of a distillery
39 permit sells spirituous liquor distilled at the distillery pursuant to G.S. 18B-1105(a)(4), the
40 retail price of the spirituous liquor shall be the uniform State price set by subsection (a) of this
41 section. However, the holder of the distillery permit shall not be required to remit the
42 components of the price set forth by subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of
43 subsection (b) of this section.

44 (c) Sale Price of Fortified Wine. – The sale price of fortified wine shall include the tax
45 levied by G.S. 105-113.80(b), as well as State and local sales taxes.

46 (d) Repealed by Session Laws 1985, c. 59, s. 2."

47 **SECTION 1.(c)** G.S. 18B-800 reads as rewritten:

48 **"§ 18B-800. Sale of alcoholic beverages in ABC stores.**

49 (a) Spirituous Liquor. – Except as provided in ~~Article 10~~ Articles 10 and 11 of this
50 Chapter, spirituous liquor may be sold only in ABC stores operated by local boards.

51"

1 **SECTION 1.(d)** The Alcoholic Beverage Control Commission shall adopt
2 temporary rules to amend its rules consistent with this section.

3 **SECTION 1.(e)** This section becomes effective July 1, 2017.

4
5 **CREATE SPIRITUOUS LIQUOR SPECIAL EVENT PERMIT TO ALLOW**
6 **DISTILLERIES TO GIVE FREE TASTINGS**

7 **SECTION 2.(a)** G.S. 18B-301 reads as rewritten:

8 "**§ 18B-301. Possession and consumption of fortified wine and spirituous liquor.**

9 ...

10 (e) Incident to Sale. – It shall be lawful to possess fortified wine and spirituous liquor at
11 any place, such as an ABC store, where possession is a necessary incident to lawful sale.
12 Consumption at such a place shall be unlawful unless the establishment has a permit
13 authorizing consumption on the premises as well as sale.

14 (f) Unlawful Possession or Use. – As illustration, but not limitation, of the general
15 prohibition stated in G.S. 18B-102(a), it shall be unlawful for:

16 (1) Any person to consume fortified wine, spirituous liquor, or mixed beverages
17 or to offer such beverages to another ~~person~~:person at any of the following
18 places:

19 a. On the premises of an ABC ~~store, or store.~~

20 b. Upon any property used or occupied by a local ~~board, or board.~~

21 c. On any public road, street, highway, or ~~sidewalk~~:sidewalk, unless a
22 consumer tasting authorized by G.S. 18B-1114.7 is being conducted.

23 "

24 **SECTION 2.(b)** G.S. 18B-902(d) is amended by adding new subdivisions to read:

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

27 (1) On-premises malt beverage permit – \$400.00.

28 (2) Off-premises malt beverage permit – \$400.00.

29 (3) On-premises unfortified wine permit – \$400.00.

30 (4) Off-premises unfortified wine permit – \$400.00.

31 (5) On-premises fortified wine permit – \$400.00.

32 (6) Off-premises fortified wine permit – \$400.00.

33 (7) Brown-bagging permit – \$400.00, unless the application is for a restaurant
34 seating less than 50, in which case the fee shall be \$200.00.

35 (8) Special occasion permit – \$400.00.

36 (9) Limited special occasion permit – \$50.00.

37 (10) Mixed beverages permit – \$1,000.

38 (11) Culinary permit – \$200.00.

39 (12) Unfortified winery permit – \$300.00.

40 (13) Fortified winery permit – \$300.00.

41 (14) Limited winery permit – \$300.00.

42 (15) Brewery permit – \$300.00.

43 (16) Distillery permit – \$300.00.

44 (17) Fuel alcohol permit – \$100.00.

45 (18) Wine importer permit – \$300.00.

46 (19) Wine wholesaler permit – \$300.00.

47 (20) Malt beverage importer permit – \$300.00.

48 (21) Malt beverage wholesaler permit – \$300.00.

49 (22) Bottler permit – \$300.00.

50 (23) Salesman permit – \$100.00.

51 (24) Vendor representative permit – \$50.00.

- 1 (25) Nonresident malt beverage vendor permit – \$100.00.
2 (26) Nonresident wine vendor permit – \$100.00.
3 (27) Any special one-time permit under G.S. 18B-1002 – \$50.00.
4 (28) Winery special event permit – \$200.00.
5 (29) Mixed beverages catering permit – \$200.00.
6 (30) Guest room cabinet permit – \$1,000.
7 (31) Liquor importer/bottler permit – \$500.00.
8 (32) Cider and vinegar manufacturer permit – \$200.00.
9 (33) Brew on premises permit – \$400.00.
10 (34) Wine producer permit – \$300.00.
11 (35) Wine tasting permit – \$100.00.
12 (36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and
13 applicable to wine shipper permit applications submitted on or after that
14 date.
15 (37) Wine shop permit – \$100.00.
16 (38) Winemaking on premises permit – \$400.00.
17 (39) Wine shipper packager permit – \$100.00.
18 (40) Malt beverage special event permit – \$200.00.
19 (41) Malt beverage tasting permit – \$100.00.
20 (42) Spirituous liquor tasting permit – \$100.00.
21 (43) Antique spirituous liquor permit – \$100.00.
22 (44) Spirituous liquor special event permit – \$200.00.
23 (45) Special auction permit – \$750.00."

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

26 **"§ 18B-1114.7. Authorization of spirituous liquor special event permit.**

27 (a) Authorization. – The holder of a supplier representative permit, brokerage
28 representative permit, or distillery permit issued under G.S. 18B-1105 may obtain a spirituous
29 liquor special event permit allowing the permittee to give free tastings of its spirituous liquors
30 at trade shows, conventions, shopping malls, street festivals, holiday festivals, agricultural
31 festivals, balloon races, local fund-raisers, and other similar events approved by the
32 Commission.

33 (b) Limitations. – Any consumer tasting is subject to the following limitations:

- 34 (1) The permit holder or the permit holder's authorized agent shall conduct the
35 consumer tasting and the permit holder shall be solely responsible for any
36 violations of this Chapter occurring in connection with the consumer tasting.
37 (2) The spirituous liquor shall be poured only by either (i) the permit holder
38 conducting the consumer tasting or (ii) an employee or authorized agent of
39 the permit holder conducting the consumer tasting who is at least 21 years of
40 age.
41 (3) Each consumer shall be limited to one 0.25 ounce tasting sample of any
42 product made available for sampling at the consumer tasting, and the total
43 amount of the tasting samples offered to and consumed by each consumer
44 shall not exceed 1.0 ounce of spirituous liquor in any calendar day.
45 (4) The permit holder shall not offer tasting samples to, or allow consumption of
46 tasting samples by, any consumer who is visibly intoxicated.
47 (5) The permit holder shall not offer tasting samples to, or allow consumption of
48 tasting samples by, any consumer under the legal age for consuming
49 spirituous liquor. The person pouring the spirituous liquor shall be
50 responsible for verifying the age of the consumer being served by checking
51 the identification of the consumer.

- 1 (6) The permit holder shall not charge a consumer for any tasting sample.
 2 (7) A venue allowing tastings shall designate a tasting area within the venue that
 3 enables the permit holder to ensure that the consumer tasting is being
 4 conducted in compliance with this section. Consumers shall only be allowed
 5 to consume tasting samples within the designated tasting area.
 6 (8) A consumer tasting shall not be allowed unless the venue is located in a
 7 jurisdiction that has approved the sale of mixed beverages.
 8 (9) The permit holder may provide point-of-sale advertising materials and
 9 advertising specialties to consumers at the consumer tasting.
 10 (10) The permit holder shall maintain for a period of at least one year a record of
 11 each consumer tasting conducted. The record shall include the date of the
 12 consumer tasting, the time of the consumer tasting, an identification of the
 13 venue at which the consumer tasting was held, an identification of the
 14 spirituous liquor that was provided for tasting at the consumer tasting, and
 15 the name of any person who poured spirituous liquor at the consumer
 16 tasting. The permit holder shall allow the ABC Commission to inspect those
 17 records at any time."

18
 19 **ALLOW SALE OF SPECIFIED ALCOHOLIC BEVERAGES AT AUCTION BY**
 20 **LICENSED AUCTIONEERS**

21 **SECTION 3.(a)** G.S. 18B-603(f) reads as rewritten:

22 **"§ 18B-603. Effect of alcoholic beverage elections on issuance of permits.**

23 ...

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

- 26 (1) Special occasion ~~permits;~~permits.
 27 (2) Limited special occasion ~~permits;~~permits.
 28 (3) Brown-bagging permits for private clubs and congressionally chartered
 29 veterans ~~organizations;~~organizations.
 30 (4) Culinary permits, except as restricted by ~~subdivision (d)(5);~~subdivision
 31 (d)(5).
 32 (5) Special one-time permits issued under ~~G.S. 18B-1002;~~G.S. 18B-1002.
 33 (6) All permits listed in ~~G.S. 18B-1100;~~G.S. 18B-1100.
 34 (7) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism
 35 ABC ~~establishments;~~establishments.
 36 (8) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism
 37 ~~resorts;~~resorts.
 38 (9) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for historic
 39 ABC establishments.
 40 (10) Special auction permits issued under G.S. 18B-1002.1."

41 **SECTION 3.(b)** G.S. 18B-1002(a)(4) reads as rewritten:

42 "(a) Kinds of Permits. – In addition to the other permits authorized by this Chapter, the
 43 Commission may issue permits for the following activities:

44 ...

- 45 (4) A permit may be issued to a collector of ~~wine or wine,~~ decorative decanters
 46 of spirituous liquor, ~~liquor,~~ or antique spirituous liquor authorizing that
 47 person to bring into the State, transport, or possess as a collector, a greater
 48 amount of those alcoholic beverages than is otherwise authorized by this
 49 Chapter, or to sell those alcoholic beverages in a manner prescribed by the
 50 Commission."

1 SECTION 3.(c) Article 10 of Chapter 18B of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 18B-1002.1. Special auction permit.**

4 (a) Permit Authorized. – A permit may be issued upon application to an auction firm or
5 auctioneer licensed by the North Carolina Auctioneers Commission pursuant to Chapter 85B of
6 the General Statutes to allow the licensed auction firm or auctioneer to sell at auction items
7 described in G.S. 18B-1002(a)(4). An auction held under this section may receive competing
8 bids that are in person or by telephone, fax, or online.

9 (b) Conditions of Permit. – A permit issued under this section is valid only for the
10 auction specified in the permit. Any sales under this permit are subject to the purchase
11 restrictions in G.S. 18B-303.

12 (c) Administrative Procedure. – Denial or revocation of a permit under this section does
13 not entitle the applicant or permittee to a hearing under Chapter 150B of the General Statutes."

14 SECTION 3.(d) This section becomes effective October 1, 2017.

15
16 **ALLOW THE SALE OF ALCOHOLIC BEVERAGES BEFORE NOON ON SUNDAYS,**
17 **SUBJECT TO LOCAL GOVERNMENT APPROVAL**

18 SECTION 4.(a) G.S. 18B-1004(c) reads as rewritten:

19 **"§ 18B-1004. Hours for sale and consumption.**

20 ...

21 (c) Sunday Hours. – ~~Except as authorized pursuant to G.S. 18B-112(b1), 153A-145.7,~~
22 or 160A-205.3, it shall be unlawful to sell or consume alcoholic beverages on any licensed
23 premises from the time at which sale or consumption must cease on Sunday morning until
24 12:00 Noon on that day."

25 SECTION 4.(b) Article 6 of Chapter 153A of the General Statutes is amended by
26 adding a new section to read:

27 **"§ 153A-145.7. Hours of certain alcohol sales.**

28 In accordance with G.S. 18B-1004(c), a county may adopt an ordinance allowing for the
29 sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at
30 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001."

31 SECTION 4.(c) Article 8 of Chapter 160A of the General Statutes is amended by
32 adding a new section to read:

33 **"§ 160A-205.3. Hours of certain alcohol sales.**

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

37 SECTION 4.(d) G.S. 18B-112 is amended by adding a new subsection to read:

38 "(b1) In accordance with G.S. 18B-1004(c), the Eastern Band of Cherokee Indians tribe
39 may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified
40 wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed
41 premises' permit issued under the authority of G.S. 18B-112(d)."

42
43 **AUTHORIZE SALE OF CROWLERS BY RETAIL PERMITTEES**

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

45 **"§ 18B-1001. Kinds of ABC permits; places eligible.**

46 When the issuance of the permit is lawful in the jurisdiction in which the premises are
47 located, the Commission may issue the following kinds of permits:

48 (1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit
49 authorizes (i) the retail sale of malt beverages for consumption on the
50 premises, (ii) the retail sale of malt beverages in the manufacturer's original
51 container for consumption off the premises, and (iii) the retail sale of malt

1 beverages in a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container
2 that is filled or refilled and sealed for consumption off the premises and that
3 identifies the permittee and the date the container was filled or refilled. It
4 also authorizes the holder of the permit to ship malt beverages in closed
5 containers to individual purchasers inside and outside the State. The permit
6 may be issued for any of the following:

- 7 a. ~~Restaurants;~~ Restaurants.
- 8 b. ~~Hotels;~~ Hotels.
- 9 c. ~~Eating establishments;~~ establishments.
- 10 d. ~~Food businesses;~~ businesses.
- 11 e. ~~Retail businesses;~~ businesses.
- 12 f. ~~Private clubs;~~ clubs.
- 13 g. ~~Convention centers;~~ centers.
- 14 h. ~~Community theatres;~~ theatres.
- 15 i. Breweries as authorized by G.S. 18B-1104(7) and (8).

16 (2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage
17 permit authorizes (i) the retail sale of malt beverages in the manufacturer's
18 original container for consumption off the premises, (ii) the retail sale of
19 malt beverages in a ~~cleaned, sanitized, resealable~~ cleaned and sanitized
20 container that is filled or refilled and sealed for consumption off the
21 premises and that identifies the permittee and the date the container was
22 filled or refilled, and (iii) the holder of the permit to ship malt beverages in
23 closed containers to individual purchasers inside and outside the State. The
24 permit may be issued for any of the following:

- 25 a. Restaurants.
- 26 b. Hotels.
- 27 c. Eating establishments.
- 28 d. Food businesses.
- 29 e. Retail businesses.
- 30 f. The holder of a brewing, distillation, and fermentation course
31 authorization under G.S. 18B-1114.6. A school obtaining a permit
32 under this subdivision is authorized to sell malt beverages
33 manufactured during its brewing, distillation, and fermentation
34 program at one noncampus location in a county where the permittee
35 holds and offers classes on a regular full-time basis in a facility
36 owned by the permittee.

37 (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine
38 permit authorizes (i) the retail sale of unfortified wine for consumption on
39 the premises, either alone or mixed with other beverages, (ii) the retail sale
40 of unfortified wine in the manufacturer's original container for consumption
41 off the premises, and (iii) the retail sale of unfortified wine dispensed from a
42 tap connected to a pressurized container utilizing carbon dioxide or similar
43 gas into a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container that
44 is filled or refilled and sealed for consumption off the premises and that
45 identifies the permittee and the date the container was filled or refilled. The
46 permit also authorizes the permittee to transfer unfortified wine, not more
47 than four times per calendar year, to another on-premises unfortified wine
48 permittee that is under common ownership or control as the transferor.
49 Except as authorized by this subdivision, transfers of wine by on-premises
50 unfortified wine permittees, purchases of wine by a retail permittee from
51 another retail permittee for the purpose of resale, and sale of wine by a retail

1 permittee to another retail permittee for the purpose of resale are unlawful.
2 In addition, a particular brand of wine may be transferred only if both the
3 transferor and transferee are located within the territory designated between
4 the winery and the wholesaler on file with the Commission. Prior to or
5 contemporaneous with any such transfer, the transferor shall notify each
6 wholesaler who distributes the transferred product of the transfer. The notice
7 shall be in writing or verifiable electronic format and shall identify the
8 transferor and transferee, the date of the transfer, quantity, and items
9 transferred. The holder of the permit is authorized to ship unfortified wine in
10 closed containers to individual purchasers inside and outside the State.
11 Orders received by a winery by telephone, Internet, mail, facsimile, or other
12 off-premises means of communication shall be shipped pursuant to a wine
13 shipper permit and not pursuant to this subdivision. The permit may be
14 issued for any of the following:

- 15 a. ~~Restaurants;~~Restaurants.
- 16 b. ~~Hotels;~~Hotels.
- 17 c. ~~Eating establishments;~~Eating establishments.
- 18 d. ~~Private clubs;~~Private clubs.
- 19 e. ~~Convention centers;~~Convention centers.
- 20 f. ~~Cooking schools;~~Cooking schools.
- 21 g. ~~Community theatres;~~Community theatres.
- 22 h. ~~Wineries;~~Wineries.
- 23 i. Wine producers.

- 24 (4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine
25 permit authorizes (i) the retail sale of unfortified wine in the manufacturer's
26 original container for consumption off the premises, (ii) the retail sale of
27 unfortified wine dispensed from a tap connected to a pressurized container
28 utilizing carbon dioxide or similar gas into a ~~cleaned, sanitized, resealable~~
29 cleaned and sanitized container that is filled or refilled and sealed for
30 consumption off the premises and that identifies the permittee and the date
31 the container was filled or refilled, and (iii) the holder of the permit to ship
32 unfortified wine in closed containers to individual purchasers inside and
33 outside the State. The permit may be issued for retail businesses. The permit
34 also authorizes the permittee to transfer unfortified wine, not more than four
35 times per calendar year, to another off-premises unfortified wine permittee
36 that is under common ownership or control as the transferor. Except as
37 authorized by this subdivision, transfers of wine by off-premises unfortified
38 wine permittees, purchases of wine by a retail permittee from another retail
39 permittee for the purpose of resale, and sale of wine by a retail permittee to
40 another retail permittee for the purpose of resale are unlawful. In addition, a
41 particular brand of wine may be transferred only if both the transferor and
42 transferee are located within the territory designated between the winery and
43 the wholesaler on file with the Commission. Prior to or contemporaneous
44 with any such transfer, the transferor shall notify each wholesaler who
45 distributes the transferred product of the transfer. The notice shall be in
46 writing or verifiable electronic format and shall identify the transferor and
47 transferee, the date of the transfer, quantity, and items transferred. The
48 permit may also be issued to the holder of a viticulture/enology course
49 authorization under G.S. 18B-1114.4. A school obtaining a permit under this
50 subdivision is authorized to sell wines manufactured during its
51 viticulture/enology program at one non-campus location in a county where

1 the permittee holds and offers classes on a regular full-time basis in a facility
 2 owned by the permittee. The permit may also be issued for a winery or a
 3 wine producer for sale of its own unfortified wine during hours when the
 4 winery or wine producer's premises is open to the public, subject to any local
 5 ordinance adopted pursuant to G.S. 18B-1004(d) concerning hours for the
 6 retail sale of unfortified wine. A winery obtaining a permit under this
 7 subdivision is authorized to sell wine manufactured by the winery at one
 8 additional location in the county under the same conditions specified in
 9 G.S. 18B-1101(5) for the sale of wine at the winery; provided, however, that
 10 no other alcohol sales shall be authorized at the additional location. Orders
 11 received by a winery by telephone, Internet, mail, facsimile, or other
 12 off-premises means of communication shall be shipped pursuant to a wine
 13 shipper permit and not pursuant to this subdivision.

14 ...
 15 (16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt
 16 beverages, unfortified wine, and fortified wine in the manufacturer's original
 17 container for consumption off the premises, (ii) the retail sale of malt
 18 beverages or unfortified wine dispensed from a tap connected to a
 19 pressurized container utilizing carbon dioxide or similar gas in a ~~cleaned,~~
 20 ~~sanitized, resealable~~ cleaned and sanitized container that is filled or refilled
 21 and sealed for consumption off the premises and that identifies the permittee
 22 and the date the container was filled or refilled, and (iii) wine tastings on the
 23 premises conducted and supervised by the permittee in accordance with
 24 subdivision (15) of this section. It also authorizes the holder of the permit to
 25 ship malt beverages, unfortified wine, and fortified wine in closed containers
 26 to individual purchasers inside and outside the State. The permit may be
 27 issued for retail businesses whose primary purpose is selling malt beverages
 28 and wine for consumption off the premises and regularly and customarily
 29 educating consumers through tastings, classes, and seminars about the
 30 selection, serving, and storing of wine. The holder of the permit is
 31 authorized to sell unfortified wine for consumption on the premises,
 32 provided that the sale of wine for consumption on the premises does not
 33 exceed forty percent (40%) of the establishment's total sales for any 30-day
 34 period. The holder of a wine-tasting permit not engaged in the preparation or
 35 sale of food on the premises is not subject to Part 6 of Article 8 of Chapter
 36 130A of the General Statutes.

37"

38 **SECTION 5.(b)** The Alcoholic Beverage Control (ABC) Commission shall adopt
 39 rules to implement the provisions of this section by no later than 120 days after this act
 40 becomes law. The ABC Commission may adopt temporary rules to comply with the deadline
 41 set in this subsection. Any temporary rules adopted in accordance with this subsection shall
 42 remain in effect until permanent rules that replace the temporary rules become effective.

43
 44 **AUTHORIZE OFF-SITE STORAGE LOCATION FOR BREWERIES, WINERIES,**
 45 **AND DISTILLERIES**

46 **SECTION 6.** Article 11 of Chapter 18B of the General Statutes is amended by
 47 adding a new section to read:

48 **"§ 18B-1120. Noncontiguous storage locations.**

49 A brewery, winery, or distillery may store any alcoholic beverages it manufactures pursuant
 50 to a permit issued under this Article at a noncontiguous storage location approved by the
 51 Alcohol and Tobacco Tax and Trade Bureau. The permittee must notify the Commission of any

1 storage location used pursuant to this section. Any storage location used pursuant to this section
 2 shall be considered part of the premises of the brewery, winery, or distillery manufacturing the
 3 alcoholic beverages."
 4

5 **AUTHORIZE SALE OF UNFORTIFIED WINE ON PREMISES BY RETAIL**
 6 **BUSINESSES**

7 **SECTION 7.** G.S. 18B-1001(3), as amended by Section 5 of this act, reads as
 8 rewritten:

9 "(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine
 10 permit authorizes (i) the retail sale of unfortified wine for consumption on
 11 the premises, either alone or mixed with other beverages, (ii) the retail sale
 12 of unfortified wine in the manufacturer's original container for consumption
 13 off the premises, and (iii) the retail sale of unfortified wine dispensed from a
 14 tap connected to a pressurized container utilizing carbon dioxide or similar
 15 gas into a cleaned and sanitized container that is filled or refilled and sealed
 16 for consumption off the premises and that identifies the permittee and the
 17 date the container was filled or refilled. The permit also authorizes the
 18 permittee to transfer unfortified wine, not more than four times per calendar
 19 year, to another on-premises unfortified wine permittee that is under
 20 common ownership or control as the transferor. Except as authorized by this
 21 subdivision, transfers of wine by on-premises unfortified wine permittees,
 22 purchases of wine by a retail permittee from another retail permittee for the
 23 purpose of resale, and sale of wine by a retail permittee to another retail
 24 permittee for the purpose of resale are unlawful. In addition, a particular
 25 brand of wine may be transferred only if both the transferor and transferee
 26 are located within the territory designated between the winery and the
 27 wholesaler on file with the Commission. Prior to or contemporaneous with
 28 any such transfer, the transferor shall notify each wholesaler who distributes
 29 the transferred product of the transfer. The notice shall be in writing or
 30 verifiable electronic format and shall identify the transferor and transferee,
 31 the date of the transfer, quantity, and items transferred. The holder of the
 32 permit is authorized to ship unfortified wine in closed containers to
 33 individual purchasers inside and outside the State. Orders received by a
 34 winery by telephone, Internet, mail, facsimile, or other off-premises means
 35 of communication shall be shipped pursuant to a wine shipper permit and not
 36 pursuant to this subdivision. The permit may be issued for any of the
 37 following:

38 ...

39 j. Retail businesses."
 40

41 **AUTHORIZE TASTINGS DURING BREWERY TOURS**

42 **SECTION 8.** G.S. 18B-1104(6) reads as rewritten:

43 **"§ 18B-1104. Authorization of brewery permit.**

44 The holder of a brewery permit may:

45 ...

46 (6) Give its products to ~~its employees and guests~~ customers, visitors, and
 47 employees for consumption on its premises. Nothing in this subdivision shall
 48 be construed as excluding customers and visitors at the brewery as part of a
 49 paid or complimentary tour of the brewery."
 50

1 **AUTHORIZE CERTAIN PERSONS TO SAMPLE ALCOHOLIC BEVERAGES FOR**
2 **PURPOSES OF SENSORY ANALYSIS, QUALITY CONTROL, OR EDUCATION**

3 **SECTION 9.** Article 11 of Chapter 18B of the General Statutes is amended by
4 adding a new section to read:

5 **"§ 18B-1121. Authority to sample for sensory analysis, quality control, or educational**
6 **purposes.**

7 Except as otherwise prohibited under Article 3 of this Chapter, a commercial permittee
8 licensed under this Article, or its agent or employee, may consume samples of alcoholic
9 beverages it is licensed to sell, free of charge, on its premises for purposes of sensory analysis,
10 quality control, or education."

11
12 **AMEND HOMEBREWING LAWS**

13 **SECTION 10.** G.S. 18B-306 reads as rewritten:

14 **"§ 18B-306. Making wines and malt beverages for private use.**

15 (a) Authority. – An individual may make, possess, and transport native-wines and malt
16 beverages for his-the individual's own use and for use, the use of his-the individual's family and
17 guests. Native wines shall be made principally from honey, grapes, or other fruit or grain grown
18 in this State, or from wine kits containing honey, grapes, or other fruit or grain concentrates,
19 and shall have only that alcoholic content produced by natural fermentation. Malt beverages
20 may be made by use of malt beverage kits containing grain extracts or concentrates-guests, or
21 the use at organized affairs, exhibitions, or competitions. For purposes of this section, the term
22 "organized affairs, exhibitions, or competitions" includes homemaker's contests, tastings, and
23 judgings.

24 (b) Selling Prohibited. – Wines and malt beverages made pursuant to this section may
25 not be sold or offered for sale.

26 (c) Kits. – Wine kits and malt beverage kits may be sold in this State.

27 (d) Permit. – No ABC permit is required to make wines or malt beverages pursuant to
28 this section."

29
30 **CLARIFY LAW GOVERNING RELATIONSHIP BETWEEN BREWERIES AND**
31 **AFFILIATED RETAILERS**

32 **SECTION 11.** G.S. 18B-1116(a) reads as rewritten:

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

- 36 (1) **Require that an alcoholic beverage retailer purchase any alcoholic beverages**
37 **from that person to the full or partial exclusion of any other alcoholic**
38 **beverages offered for sale by other persons in this State; or**
39 (2) **Have any direct or indirect financial interest in the business of any alcoholic**
40 **beverage retailer in this State or in the premises where the business of any**
41 **alcoholic beverage retailer in this State is conducted; or**
42 (3) **Lend or give to any alcoholic beverage retailer in this State or his employee**
43 **or to the owner of the premises where the business of any alcoholic beverage**
44 **retailer in this State is conducted, any money, service, equipment, furniture,**
45 **fixtures or any other thing of value.**

46 A brewery qualifying under G.S. 18B-1104(8) to act as a wholesaler or retailer of its own
47 malt beverages G.S. 18B-1104(7) or (8) is not subject to the provisions of this subsection
48 section concerning financial interests in, and lending or giving things of value to, a wholesaler
49 or retailer with respect to the brewery's transactions with the retail business on its
50 premises-premises or other retail locations allowed under G.S. 18B-1104(8). The brewery is

1 subject to the provisions of this subsection, however, with respect to its transactions with all
2 other wholesalers and retailers."
3

4 **AUTHORIZE BREWERY TAPROOMS TO SELL OTHER ALCOHOLIC**
5 **BEVERAGES UPON RECEIVING THE APPROPRIATE PERMIT**

6 **SECTION 12.** G.S. 18B-1104(7) reads as rewritten:

7 "(7) In an area where the sale of any type of alcoholic beverage is authorized by
8 law, and upon receiving the appropriate permit under G.S. 18B-1001, sell
9 the at the brewery, and any additional retail location authorized under
10 subdivision (8) of this section, any or all of the following:

- 11 a. The brewery's malt beverages or malt beverages that have been
12 approved by the Commission for sale in North Carolina.
13 b. Malt beverages manufactured by the permittee in some other state
14 that have been approved by the Commission for sale in North
15 Carolina only at the brewery upon receiving a permit under G.S.
16 18B-1001(1).Carolina.
17 c. Any other alcoholic beverages approved by the Commission for sale
18 in North Carolina, if sale of the alcoholic beverage is otherwise
19 authorized in that area."
20

21 **AUTHORIZE BREWERIES WITH PRODUCTION FACILITIES IN OTHER STATES**
22 **TO DISTRIBUTE TO WHOLESALERS**

23 **SECTION 13.** G.S. 18B-1104(4) reads as rewritten:

24 "(4) Receive malt beverages manufactured by the permittee in some other state
25 for transshipment to (i) dealers in other states.states or (ii) wholesalers
26 licensed under this Chapter as authorized by the ABC laws."
27

28 **AUTHORIZE FARM BREWERIES**

29 **SECTION 14.** G.S. 18B-1104 is amended by adding a new subdivision to read:

30 "(7a) In an area where the sale of malt beverages has not been authorized, a
31 brewery that produces agricultural products, including barley, other grains,
32 hops, or fruit, used by the brewery in the manufacture of malt beverages may
33 sell the malt beverages owned by the brewery and approved by the
34 Commission for sale in North Carolina at the brewery for on- or off-premise
35 consumption upon (i) obtaining the appropriate permit under G.S. 18B-1001
36 and (ii) receiving approval from the governing body of the city where the
37 brewery is located or, if the brewery is not located in a city, the governing
38 body of the county where the brewery is located. Approval may be granted
39 only pursuant to a resolution of the governing body adopted at a regular
40 meeting. Before adopting a resolution approving the sale of malt beverages
41 under this subdivision, a governing board shall hold a public hearing. A
42 notice of the public hearing shall be given once a week for two successive
43 calendar weeks in a newspaper having general circulation in the area. The
44 notice of the public hearing shall be published the first time not less than 10
45 days nor more than 25 days before the date fixed for the hearing. In
46 computing such period, the day of publication is not to be included but the
47 day of the hearing shall be included."
48

49 **AMEND LAW GOVERNING BREWERY SALES AT ADDITIONAL RETAIL**
50 **LOCATIONS**

51 **SECTION 15.** G.S. 18B-1104 reads as rewritten:

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

The holder of a brewery permit may:

...

- (8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at wholesale only malt beverages manufactured by the brewery. The authorization of this subdivision applies to a brewery that sells, to consumers at the brewery, to wholesalers, to retailers, and to exporters, fewer than 25,000 barrels, as defined in G.S. 81A-9, of malt beverages produced by it per year. A brewery not exceeding the sales quantity limitations in this subdivision may also sell the malt beverages manufactured by the ~~brewery~~ brewery, and malt beverages produced under subdivision (6a) of this section, at not more than three other locations in the State, where the sale is legal, upon obtaining the appropriate permits under G.S. 18B-1001. A brewery operating any additional retail location pursuant to this subdivision under a different trade name than that used at the brewery shall also offer for sale at that location a reasonable selection of competitive malt beverage products. A sale at any additional retail location under this subdivision shall not be considered a wholesale sale for the purposes of Article 13 of this Chapter.

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

TAX COMPLIANCE AND REPORTS

SECTION 16.(a) G.S. 18B-1104, as amended by this act, reads as rewritten:

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

(a) Authorized Acts. – The holder of a brewery permit may:

...

- (6a) Receive, in closed containers, and sell at the brewery, malt beverages produced inside or outside North Carolina under contract with a contract brewery. The contract brewery that manufactures the malt beverages shall be responsible for all aspects associated with manufacturing the product, including maintaining appropriate records, obtaining label approval in its own name, and remitting the appropriate taxes. The contract malt beverages may be sold also at affiliated retail outlets of the brewery physically located on or adjacent to the brewery. Any malt beverages received from a contract brewery under this subdivision shall be made available for sale by the brewery to wholesalers for distribution to retailers, without discrimination, in the same manner as if the malt beverages were being imported by the brewery. Contract brewing is authorized between affiliated breweries, but shall not be used as a means to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit pursuant to ~~G.S. 18B-1104(8)~~ subdivision (8) of this subsection where either brewery would not otherwise qualify for a permit, and the Commission shall have no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b).

- (7) In an area where the sale of any type of alcoholic beverage is authorized by law, and upon receiving the appropriate permit under G.S. 18B-1001, sell at the brewery, and any additional retail location authorized under subdivision (8) of this ~~section,~~ subsection, any or all of the following:

- a. The brewery's malt beverages that have been approved by the Commission for sale in North Carolina.

- 1 b. Malt beverages manufactured by the permittee in some other state
2 that have been approved by the Commission for sale in North
3 Carolina.
4 c. Any other alcoholic beverages approved by the Commission for sale
5 in North Carolina, if sale of the alcoholic beverage is otherwise
6 authorized in that area.

7 ...
8 (8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at
9 wholesale only malt beverages manufactured by the brewery. The
10 authorization of this subdivision applies to a brewery that sells, to consumers
11 at the brewery, to wholesalers, to retailers, and to exporters, fewer than
12 25,000 barrels, ~~as defined in G.S. 81A-9,~~ barrels of malt beverages produced
13 by it per year. A brewery not exceeding the sales quantity limitations in this
14 subdivision may also sell the malt beverages manufactured by the brewery,
15 and malt beverages produced under subdivision (6a) of this
16 ~~section, subsection,~~ at not more than three other locations in the State, where
17 the sale is legal, upon obtaining the appropriate permits under
18 G.S. 18B-1001. A brewery operating any additional retail location pursuant
19 to this subdivision under a different trade name than that used at the brewery
20 shall also offer for sale at that location a reasonable selection of competitive
21 malt beverage products. A sale at any additional retail location under this
22 subdivision shall not be considered a wholesale sale for the purposes of
23 Article 13 of this Chapter.

24 **(b) Sales or Gifts.** – A sale or gift under subdivision (5) or (6) of subsection (a) of this
25 section shall not be considered a retail or wholesale sale under the ABC laws.

26 **(c) Tax Compliance.** – By October 1 of each year, the Commission shall confirm that
27 the holder of a brewery permit is in compliance with G.S. 18B-900(a)(8). The provisions of
28 G.S. 18B-900(f) apply to the confirmation required under this subsection, except that the
29 Commission may suspend a person's brewery permit until the Commission receives notice from
30 the Department of Revenue that the person is in compliance.

31 **(d) Sales Report Upon Commission Request.** – Within 60 days of a request by the
32 Commission, a holder of a brewery permit who obtains a malt beverage wholesaler permit
33 pursuant to subdivision (8) of subsection (a) of this section shall provide a sales report to the
34 Commission. The report shall list separately all of the following for the 12-month period
35 preceding the date of the request:

- 36 (1) The number of barrels of malt beverages sold by the permit holder that were
37 produced by the permit holder.
38 (2) The quantity and dollar amount of malt beverages sold by the permit holder
39 under subdivision (7) of subsection (a) of this section.
40 (3) The quantity and dollar amount of malt beverages sold on-premises under
41 subdivision (8) of subsection (a) of this section.
42 (4) The quantity and dollar amount of malt beverages sold off-premises under
43 subdivision (8) of subsection (a) of this section.
44 (5) The quantity and dollar amount of malt beverages sold under
45 G.S. 18B-1114.5.
46 (6) The quantity and dollar amount of malt beverages destroyed, spoiled, or
47 otherwise rendered unsalable.

48 The Commission shall not request more than one sales report from a brewery within a
49 12-month period. The Commission shall keep all information provided pursuant to this
50 subsection confidential except as required by law or requested by the Department of Revenue.
51 The information shall not be a public record under Chapter 132 of the General Statutes.

1 (e) Definition. – For purposes of this section, the term "barrels" is as defined in
2 G.S. 81A-9."

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

4 "(c) Tax Compliance. – By October 1 of each year, the Commission shall confirm the
5 holder of a distillery permit is in compliance with G.S. 18B-900(a)(8). The provisions of
6 G.S. 18B-900(f) apply to the confirmation required under this subsection, except that the
7 Commission may suspend a person's distillery permit until the Commission receives notice
8 from the Department of Revenue that the person is in compliance."

9 **SECTION 16.(c)** G.S. 18B-903(c1) reads as rewritten:

10 "(c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section
11 shall be construed to limit alternating brewery proprietorships in which the holder of a brewery
12 permit leases or otherwise makes available its facility to another holder of a brewery permit. In
13 this arrangement, the tenant brewery shall maintain title to the malt beverages at all states of the
14 brewing process and shall be responsible for all aspects associated with manufacturing the
15 product, including maintaining appropriate records, obtaining label approval in its own name,
16 and remitting the appropriate taxes. Alternating brewery proprietorships are authorized between
17 affiliated breweries, but shall not be used as a means to allocate production quantities between
18 affiliated breweries to obtain a malt beverage wholesaler permit pursuant to ~~G.S. 18B-1104(8)~~
19 G.S. 18B-1104(a)(8) where either brewery would not otherwise qualify for a permit, and the
20 Commission shall have no authority to grant an exemption to this requirement pursuant to
21 G.S. 18B-1116(b)."

22 **SECTION 16.(d)** G.S. 18B-1001(1)i. reads as rewritten:

23 "i. Breweries as authorized by ~~G.S. 18B-1104(7) and (8)~~subdivisions
24 (7) and (8) of G.S. 18B-1104(a)."

25 **SECTION 16.(e)** G.S. 18B-1114.5(a) reads as rewritten:

26 "(a) Authorization. – The holder of a brewery permit, a malt beverages importer permit,
27 a brewing, distillation, and fermentation course authorization, or a nonresident malt beverage
28 vendor permit may obtain a malt beverage special event permit allowing the permittee to give
29 free tastings of its malt beverages and to sell its malt beverages by the glass or in closed
30 containers at trade shows, conventions, shopping malls, malt beverage festivals, street festivals,
31 holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar
32 events approved by the Commission. Except for a brewery operating under the provisions of
33 ~~G.S. 18B-1104(8)~~, G.S. 18B-1104(a)(8), all malt beverages sampled or sold pursuant to this
34 section must be purchased from a licensed malt beverages wholesaler."

35 **SECTION 16.(f)** G.S. 18B-1116(a), as amended by this act, reads as rewritten:

36 "**§ 18B-1116. Exclusive outlets prohibited.**

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

40 ...

41 A brewery qualifying under ~~G.S. 18B-1104(7) or (8)~~subdivision (7) or (8) of
42 G.S. 18B-1104(a) is not subject to the provisions of this section concerning financial interests
43 in, and lending or giving things of value to, a wholesaler or retailer with respect to the
44 brewery's transactions with the retail business on its premises or other retail locations allowed
45 under ~~G.S. 18B-1104(8)~~G.S. 18B-1104(a)(8). The brewery is subject to the provisions of this
46 subsection, however, with respect to its transactions with all other wholesalers and retailers."

47 **SECTION 16.(g)** G.S. 18B-1305(a1) reads as rewritten:

48 "(a1) Termination by a Small Brewery. – A brewery's authorization to distribute its own
49 malt beverage products pursuant to ~~G.S. 18B-1104(8)~~G.S. 18B-1104(a)(8) shall revert back to
50 the brewery, in the absence of good cause, following the fifth business day after confirmed
51 receipt of written notice of such reversion by the brewery to the wholesaler. The brewery shall

1 pay the wholesaler fair market value for the distribution rights for the affected brand. For
2 purposes of this subsection, "fair market value" means the highest dollar amount at which a
3 seller would be willing to sell and a buyer willing to buy at the time the self-distribution rights
4 revert back to the brewery, after each party has been provided all information relevant to the
5 transaction."
6

7 **SIMPLIFY LOCAL LICENSING APPLICATIONS**

8 **SECTION 17.** G.S. 105-113.70 reads as rewritten:

9 **"§ 105-113.70. Issuance, duration, transfer of license.**

10 (a) Issuance, Qualifications. – Each person who receives an ABC permit shall obtain
11 the corresponding local license, if any, under this Article. All local licenses are issued by the
12 city or county where the establishment for which the license is sought is located. ~~The~~
13 ~~information required to be provided and the qualifications for a local license are the same as the~~
14 ~~information and qualifications required for the corresponding ABC permit. Upon proper~~
15 ~~application and payment of the prescribed tax, issuance of a local license is mandatory if the~~
16 ~~applicant holds the corresponding ABC permit. No documentation shall be required of the~~
17 applicant except as provided in this section. Issuance of a local license is mandatory if the
18 applicant holds the corresponding ABC permit and provides all of the following: (i) a copy of
19 the most recently completed State application form for an ABC permit exclusive of any
20 attachments, (ii) the ABC permit for visual inspection, and (iii) payment of the prescribed tax.
21 No local license may be issued under this Article until the applicant has received from the ABC
22 Commission the applicable permit for that activity, and no county license may be issued for an
23 establishment located in a city in that county until the applicant has received from the city the
24 applicable license for that activity.

25 (b) Duration. – All licenses issued under this section are annual licenses for the period
26 from May 1 to April 30.

27 (c) Transfer. – A license may not be transferred from one person to another or from one
28 location to another.

29 (d) License Exclusive. – A local government may not require a license for activities
30 related to the manufacture or sale of alcoholic beverages other than the licenses stated in this
31 Article."
32

33 **CLARIFY WINERY SPECIAL EVENT LOCATIONS**

34 **SECTION 18.** G.S. 18B-1114.1 reads as rewritten:

35 **"§ 18B-1114.1. Authorization of winery special event permit.**

36 (a) Authorization. – The holder of an unfortified winery permit, a limited winery
37 permit, a viticulture/enology course authorization, or a wine producer permit may obtain a
38 winery special permit allowing the winery or wine producer to give free tastings of its wine,
39 and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping
40 malls, wine festivals, street festivals, holiday festivals, agricultural festivals, balloon races,
41 local fund-raisers, farmers markets, and other similar events approved by the Commission.

42 (b) Limitation. – A winery special event permit is valid only in a jurisdiction that has
43 approved the establishment of ABC stores or has approved the sale of unfortified wine."
44

45 **RULES**

46 **SECTION 19.(a)** Except as otherwise provided, the Alcoholic Beverage Control
47 (ABC) Commission shall adopt temporary rules to implement the provisions of this act.
48 Temporary rules adopted in accordance with this section shall remain in effect until permanent
49 rules that replace the temporary rules become effective.

50 **SECTION 19.(b)** Any rule or policy adopted by the ABC Commission that does
51 not comply with the provisions of this act shall be null, void, and without effect.

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EFFECT OF HEADINGS

SECTION 20. The headings to the sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

EFFECTIVE DATE

SECTION 21. Except as otherwise provided, this act is effective when it becomes law.