

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S

3

SENATE BILL 604
Commerce and Insurance Committee Substitute Adopted 6/21/17
Third Edition Engrossed 6/27/17

Short Title: Homemade Alcoholic Beverage Tasting Permit.

(Public)

Sponsors:

Referred to:

April 5, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE THE LAWS GOVERNING ORGANIZED AFFAIRS, EXHIBITIONS,
3 AND COMPETITIONS WHERE CERTAIN HOMEMADE ALCOHOLIC BEVERAGES
4 ARE OFFERED FOR CONSUMPTION FREE OF CHARGE AND TO AUTHORIZE
5 CERTAIN SMALL MUNICIPALITIES WITH DECREASING POPULATIONS TO
6 ATTRACT BUSINESS THROUGH A MALT BEVERAGE AND UNFORTIFIED WINE
7 ELECTION, AT THE DISCRETION OF THE MUNICIPAL GOVERNING BOARD.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. G.S. 18B-902(d) reads as rewritten:

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

12 ...

13 (44) Homemade alcoholic beverage competition and tasting permit. – \$50.00."

14 SECTION 2. G.S. 18B-1001 reads as rewritten:

15 "§ 18B-1001. **Kinds of ABC permits; places eligible.**

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

18 (1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit
19 authorizes (i) the retail sale of malt beverages for consumption on the
20 premises, (ii) the retail sale of malt beverages in the manufacturer's original
21 container for consumption off the premises, and (iii) the retail sale of malt
22 beverages in a cleaned, sanitized, resealable container that is filled or refilled
23 and sealed for consumption off the premises and that identifies the permittee
24 and the date the container was filled or refilled. It also authorizes the holder
25 of the permit to host on the permittee's licensed premises, in a part of the
26 premises not open to the general public, homebrew club meetings or events
27 where homemade malt beverages may be consumed by participants of legal
28 age in the meeting or event. It also authorizes the holder of the permit to ship
29 malt beverages in closed containers to individual purchasers inside and
30 outside the State. The permit may be issued for any of the following:

- 31 a. ~~Restaurants;~~Restaurants.
32 b. ~~Hotels;~~Hotels.
33 c. ~~Eating establishments;~~establishments.
34 d. ~~Food businesses;~~businesses.
35 e. ~~Retail businesses;~~businesses.



* S 6 0 4 - V - 3 *

- 1 f. ~~Private clubs;~~clubs.
2 g. ~~Convention centers;~~centers.
3 h. ~~Community theatres;~~theatres.
4 i. Breweries as authorized by G.S. 18B-1104(7) and (8).
5 ...
6 (8) Special Occasion Permit. – A special occasion permit authorizes the host of
7 a reception, party or other special occasion, with the permission of the
8 permittee, to bring fortified ~~wine and~~wine; spirituous liquor; and
9 donated homemade malt beverages, meads, wines, and fermented fruit juices
10 onto the premises of the business and to serve the same to his guests. The
11 permit may be issued for any of the following:
12 a. ~~Restaurants;~~Restaurants.
13 b. ~~Hotels;~~Hotels.
14 c. Eating ~~establishments;~~establishments.
15 d. Private ~~clubs;~~clubs.
16 e. Convention centers.
17 f. Nonprofit organizations.
18 (9) Limited Special Occasion Permit. – A limited special occasion permit
19 authorizes the permittee to bring fortified ~~wine and~~wine; spirituous
20 liquor; and donated homemade malt beverages, meads, wines, and
21 fermented fruit juices onto the premises of a business, with the permission of
22 the owner of that property, and to serve those alcoholic beverages to the
23 permittee's guests at a reception, party, or other special occasion being held
24 there. The permit also authorizes the permittee to engage in the activities
25 authorized under subdivision (21) of this section, subject to the same
26 conditions listed in that subdivision. The permit may be issued to any
27 individual other than the owner or possessor of the premises. An applicant
28 for a limited special occasion permit shall have the written permission of the
29 owner or possessor of the property on which the special occasion is to be
30 held.
31 ...
32 (21) Homemade Alcoholic Beverage Competition and Tasting Permit. – A permit
33 under this subdivision may be issued to a nonprofit organization. The permit
34 holder may host on the permittee's licensed premises an organized affair,
35 exhibition, or competition where the permittee, or the permittee's employee
36 or agent, may serve for consumption on the licensed premises homemade
37 alcoholic beverages, subject to all of the following conditions:
38 a. Any person pouring the homemade alcoholic beverage is at least 21
39 years of age and is responsible for checking the identification of
40 patrons being served at the event.
41 b. The consumer is not charged for any homemade alcoholic beverages
42 served.
43 c. The consumer may be charged a fee for admission to the organized
44 affair, exhibition, or competition, but proceeds from any fee charged
45 are not used to purchase, or cover the costs incurred from making,
46 the homemade alcoholic beverages.
47 d. Homemade alcoholic beverages are not to be offered to, or allowed
48 to be consumed by, any person under the legal age for consuming
49 alcoholic beverages.
50 The homemade alcoholic beverage competition and tasting permit holder is
51 solely liable for any violations of this Chapter occurring in connection with

1 the organized affair, exhibition, or competition. The Commission shall adopt
2 rules to assure that the tastings authorized under this subdivision are not a
3 subterfuge for the unlawful sale or distribution of alcoholic beverages. For
4 purposes of this subdivision, the term "organized affair, exhibition, or
5 competition" includes homemaker's contests, tastings, and judgments, and the
6 term "homemade alcoholic beverages" means homemade malt beverages,
7 meads, wines, and fermented fruit juices."

8 **SECTION 2.5.** G.S. 18B-600(c) reads as rewritten:

9 "(c) City Malt Beverage and Unfortified Wine Elections. – A city may hold a malt
10 beverage or unfortified wine election only if the county in which the city is located has already
11 held such an election, the vote in the last county election was against the sale of that kind of
12 alcoholic beverage, ~~and~~ and one or more of the following apply:

- 13 (1) The city has a population of 500 or ~~more~~; ~~or~~ more according to the most
14 recent federal decennial census.
15 (2) The city operates an ABC store.
16 (3) The city has a population of 400 or more but less than 500 according to the
17 most recent federal decennial census and had a population of 500 or more
18 according to the prior federal decennial census."

19 **SECTION 3.** The ABC Commission may adopt temporary rules to implement the
20 provisions of this act. Temporary rules adopted in accordance with this section shall remain in
21 effect until permanent rules that replace the temporary rules become effective.

22 **SECTION 4.** Sections 1 and 2 of this act become effective August 1, 2017. The
23 remainder of this act is effective when it becomes law."