

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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**HOUSE BILL 768
Second Edition Engrossed 5/11/21**

Short Title: LRC ABC Law Study. (Public)

Sponsors: Representative Moffitt.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Alcoholic Beverage Control, if favorable, Rules, Calendar, and Operations of the House

May 4, 2021

A BILL TO BE ENTITLED

1 AN ACT TO DIRECT THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE
2 ALCOHOLIC BEVERAGE CONTROL LAWS IN THIS STATE.
3

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Study. – The Legislative Research Commission (LRC) shall study
6 revising the laws set forth in Chapter 18B of the General Statutes governing the manufacturing,
7 sale, possession, and consumption of alcoholic beverages in this State. The study required under
8 this section shall include all of the following:

9 (1) A comparative analysis on how the federal government and other states
10 regulate the manufacturing, sale, possession, and consumption of alcoholic
11 beverages, including how the federal government and other states regulate the
12 labeling of alcoholic beverages, the distribution of alcoholic beverages, and
13 the assortment of alcoholic beverages that may be manufactured, sold,
14 possessed, or consumed.

15 (2) A comparative analysis on how other states (i) regulate the sale of spirituous
16 liquor, (ii) define and regulate alcohol consumables, (iii) define and issue
17 permits for the manufacturing or sale of alcoholic beverages, and (iv) define
18 and regulate periods of the day in which alcoholic beverages may be sold for
19 on-premises consumption at a reduced price.

20 (3) All of the following:

- 21 a. The advisability and necessity of expanding and clarifying the
22 definition set forth in G.S. 18B-101 for the term "premises."
23 b. How to modify the process used for determining which spirituous
24 liquor products may be sold in ABC stores to allow for more selection.
25 c. How the process for issuing permits pursuant to Chapter 18B of the
26 General Statutes can be streamlined.
27 d. The feasibility and advisability of allowing malt beverages and wine
28 wholesalers to offer the same payment terms the wholesalers receive
29 from the manufacturing tier.
30 e. The feasibility and advisability of allowing mixed beverages
31 permittees the option of purchasing spirituous liquor directly from an
32 in-State distillery if the local ABC board refuses to purchase spirituous
33 liquor from the distillery.



- 1 f. The feasibility and advisability of expanding the usage of signage and
2 other advertising by permittees to promote the sale of alcoholic
3 beverages.
- 4 g. The advisability and necessity of allowing malt beverage wholesalers
5 to exchange a seasonal malt beverage product for another seasonal
6 malt beverage product when the first seasonal product is about to go
7 out of date.
- 8 h. The advisability and necessity of amending the law requiring
9 wholesalers to serve permittees without discrimination to (i) expand it
10 to prohibit age, race, gender, national origin, and economic
11 discrimination and (ii) allow a permittee within a franchise territory to
12 purchase product outside the franchise territory if the wholesaler
13 refuses to sell to the permittee.
- 14 i. The feasibility of setting the amount of fines assessed by the
15 Commission for violations of the ABC laws, as defined in
16 G.S. 18B-101, based either on the value of alcohol sales made by the
17 offending permittee or on the volume of alcohol sold by the offending
18 permittee. The study required under this sub-subdivision shall include
19 an examination of the opportunities and challenges arising from the
20 implementation of either approach, the resources needed for
21 implementing either approach, any ramifications either approach
22 would have on the proportionality of penalties assessed on offending
23 permittees, and any legislative changes necessary to implement either
24 approach.
- 25 j. The feasibility and advisability of limiting the frequency of shelf resets
26 that a malt beverage or wine wholesaler may perform each year for a
27 licensed retailer, the times during which such resets may occur, and
28 the number of wholesaler employee hours that can be provided during
29 a reset.
- 30 k. The feasibility and advisability of a malt beverage or wine wholesaler
31 offering discounted pricing to a licensed retailer on the condition that
32 the retail price for the consumer is discounted by the same amount in
33 the entire market designated for the promotion.
- 34 l. The feasibility and advisability of limiting the frequency of draft line
35 cleaning services that a malt beverage wholesaler may provide each
36 year for a licensed retailer, and the times during which those services
37 may occur.
- 38 m. Any other matters the LRC deems relevant to its efforts.

39 **SECTION 2.** Report. – The LRC shall report its findings, together with any proposed
40 legislation, to the 2022 Regular Session of the 2021 General Assembly upon its convening.

41 **SECTION 3.** Effective Date. – This act is effective when it becomes law.