

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

**SENATE BILL 527
RATIFIED BILL**

AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOL LAWS OF THIS STATE.

The General Assembly of North Carolina enacts:

EXCLUDE READY-TO-DRINK COCKTAILS FROM MIXED BEVERAGE CHARGE

SECTION 1.(a) G.S. 18B-101 reads as rewritten:

"§ 18B-101. Definitions.

As used in this Chapter, unless the context requires otherwise:

...

(8b) "Premixed cocktail" means a single-serving drink in the manufacturer's original closed container of 24 fluid ounces or less containing at least one-half of one percent (0.5%), and no more than thirteen percent (13%), alcohol by volume and consisting of spirituous liquor premixed with any or all of the following: nonalcoholic beverages, flavoring, or coloring. A premixed cocktail may contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, and other similar products manufactured by fermenting fruit or fruit juices.

...

(10) "Mixed beverage" means either of the following:

- a. A drink composed in whole or in part of spirituous liquor and served in a quantity less than the quantity contained in a closed package.
- b. A premixed cocktail served from a closed package containing only one serving-cocktail sold by a mixed beverages permittee, regardless of whether the premixed cocktail is sold in an open container or a closed container.

...."

SECTION 1.(b) G.S. 18B-804(b)(8), as amended by Section 17(c) of this act, reads as rewritten:

"(8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar services permittee for resale in mixed beverages, a charge of twenty dollars (\$20.00) on each four liters and a proportional sum on lesser quantities. This subdivision shall not apply to premixed cocktails sold to a mixed beverage permittee in a closed package for resale in or from the closed package, and a mixed beverages tax stamp shall not be required on these closed packages."

SECTION 1.(c) G.S. 18B-1007(b) reads as rewritten:

"(b) Handling Bottles. – It shall be unlawful for a mixed beverages permittee or the permittee's agent or employee to do any of the following:

- (1) Store any other spirituous liquor with liquor possessed for resale in mixed beverages or from a guest room cabinet.
- (2) Refill any spirituous liquor container having a mixed beverages tax stamp with any other alcoholic beverage, or add to the contents of such a container any other alcoholic beverage.



- (3) Transfer from one container to another a mixed beverages tax stamp.
- (4) Possess any container of spirituous liquor not bearing a mixed beverages tax stamp, except for premixed cocktails sold to a mixed beverages permittee in a closed package for resale in or from the closed package or containers being brought onto the premises by the host of a private function under a special occasion permit."

ALLOW ABC COMMISSION MEMBERS AND STAFF AND LOCAL BOARD MEMBERS, GENERAL MANAGERS, AND STORE MANAGERS TO SAMPLE PRODUCTS

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

"§ 18B-209. Authority to sample spirituous liquor products.

Notwithstanding G.S. 18B-201(d) and G.S. 133-32, and any other provision of law, members and employees of the Commission may consume samples of spirituous liquor products under consideration for approval for sale in this State, free of charge. No person may consume more than one 0.25 ounce tasting sample of each product for this purpose. Such a sample shall not constitute a gift for purposes of G.S. 133-32. Tastings may be conducted pursuant to this section on property owned by the ABC Commission."

SECTION 2.(b) Article 7 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-707. Authority to sample spirituous liquor products.

Notwithstanding G.S. 18B-201(d) and G.S. 133-32, and any other provision of law, members of a local board and general managers or store managers of ABC stores may consume samples of spirituous liquor products under consideration for approval for sale by the local board, free of charge. No person may consume more than one 0.25 ounce tasting sample of each product for this purpose. Such a sample shall not constitute a gift for purposes of G.S. 133-32. Tastings may be conducted pursuant to this section on property owned by the local board but may not be conducted in publicly accessible areas of any ABC store."

LOCAL ABC BOARD FLEXIBILITY ON CERTAIN HOLIDAYS

SECTION 3. G.S. 18B-802(b) reads as rewritten:

"(b) Days. – No ABC store shall be open, and no ABC store employee shall sell alcoholic beverages, on any Sunday, ~~New Year's Day, Fourth of July, Labor Day,~~ Thanksgiving Day, or Christmas Day. A local board may otherwise determine the days on which its stores shall be closed."

RAISE CAP ON POINT-OF-SALE ADVERTISING MATERIALS, PRODUCT DISPLAYS, AND COOLERS

SECTION 4.(a) G.S. 18B-105 is amended by adding two new subsections to read:

"(c) A beer or wine wholesaler may give, furnish, loan, rent, or sell retailer advertising specialty items and product displays to a retail permittee, so long as the items have not been customized for an individual retail permittee, and provided that the value of the items per brand does not exceed six hundred dollars (\$600.00) per year. For the purposes of this subsection, the following definitions apply:

- (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items from which malt beverages, wine, or spirituous liquor are displayed and sold.
- (2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal checks, paper napkins, glassware, cups, foam scrapers, back bar mats, thermometers, and other similar items that bear advertising matter.

(d) The holder of a supplier representative permit, brokerage representative permit, nonresident spirituous liquor vendor permit, or distillery permit issued under G.S. 18B-1105 may give, furnish, loan, rent, or sell retailer advertising specialty items and product displays to a local board, so long as the items have not been customized for an individual local board, and provided that the value of the items per brand does not exceed one thousand dollars (\$1,000) per year. For the purposes of this subsection, the following definitions apply:

- (1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items from which malt beverages, wine, or spirituous liquor are displayed and sold.
- (2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal checks, paper napkins, glassware, cups, foam scrapers, back bar mats, thermometers, and other similar items that bear advertising matter, and shall not include branded plug-in coolers."

SECTION 4.(b) G.S. 18B-809 reads as rewritten:

"§ 18B-809. Use of branded plug-in coolers.

No rule or decision of the Commission may limit or restrict the giving, lending, or selling by industry members of branded plug-in coolers used to hold and display ~~products, products in an ABC store,~~ provided that ~~the total value of coolers are under the dollar limits set forth by the Commission for product displays.~~ per brand is less than one thousand five hundred dollars (\$1,500). A branded plug-in cooler shall have permanent and conspicuous branding that is permanently attached or securely affixed to the cooler."

ALLOW TO-GO AND DELIVERY SALES OF MIXED BEVERAGES AND WINE BY THE GLASS

SECTION 5.(a) G.S. 18B-1001, as amended by Section 14(a) of this act, reads as rewritten:

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

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

- ...
- (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of

the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Eating establishments.
- d. Private clubs.
- e. Convention centers.
- f. Cooking schools.
- g. Community theatres.
- h. Wineries.
- i. Wine producers.
- j. Retail businesses.
- k. Sports and entertainment venues.
- l. Bars.
- m. The holder of a distillery permit authorized under G.S. 18B-1105.
- n. Breweries.

Additionally, an on-premises unfortified wine permit authorizes a permittee that is a restaurant, eating establishment, hotel, private club, bar, brewery, winery, or wine producer to sell at retail single-serving unfortified wine drinks for consumption off the premises, including delivery by the permittee or a delivery service permittee. Single-serving unfortified wine drinks sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the transportation of single-serving unfortified wine drinks shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than two single-serving unfortified wine drinks at one time shall not be unlawful if the single-serving unfortified wine drinks are sold for delivery or consumption off the permittee's premises. No single-serving unfortified wine by the drink ordered for off-premises consumption shall be provided to any person other than the purchaser of the single-serving unfortified wine drink, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the single-serving unfortified wine drink to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...
(5)

On-Premises Fortified Wine Permit. – An on-premises fortified wine permit authorizes the retail sale of fortified wine for consumption on the premises, either alone or mixed with other beverages, and the retail sale of fortified wine in the manufacturer's original container for consumption off the premises. The permit also authorizes the permittee to transfer fortified wine, not more than four times per calendar year, to another on-premises fortified wine permittee

that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises fortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship fortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Private clubs.
- d. Community theatres.
- e. Wineries.
- f. Convention centers.
- g. Bars.
- h. The holder of a distillery permit authorized under G.S. 18B-1105.
- i. Sports and entertainment venues.
- j. Breweries.

Additionally, an on-premises fortified wine permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail single-serving fortified wine drinks for consumption off the premises, including delivery by the permittee or a delivery service permittee. Single-serving fortified wine drinks sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the transportation of single-serving fortified wine drinks shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than two single-serving fortified wine drinks at one time shall not be unlawful if the single-serving fortified wine drinks are sold for delivery or consumption off the permittee's premises. No single-serving fortified wine by the drink ordered for off-premises consumption shall be provided to any person other than the purchaser of the single-serving fortified wine drink, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the single-serving fortified wine drink to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...

- (10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail sale of mixed beverages for consumption on the premises. The permit also authorizes a mixed beverages permittee to obtain an antique spirituous liquor permit under subdivision (20) of this section and to use for culinary purposes spirituous liquor lawfully purchased for use in mixed beverages. The permit may be issued for any of the following:
- a. Restaurants.
 - b. Hotels.
 - c. Private clubs.
 - d. Convention centers.
 - e. Community theatres.
 - f. Nonprofit organizations.
 - g. Political organizations.
 - h. Sports and entertainment venues.
 - i. Bars.
 - j. The holder of a distillery permit authorized under G.S. 18B-1105.
 - k. Breweries.
 - l. Wineries.

Additionally, a mixed beverages permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, winery, or the holder of a distillery permit to sell at retail mixed beverages for consumption off the premises, including delivery by the permittee or a delivery service permittee. A mixed beverage sold for consumption off the premises must be sold with food and shall be (i) a premixed cocktail in the manufacturer's original closed container, or (ii) packaged in a container with a secure lid or cap, and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the transportation of a mixed beverage shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than one mixed beverage drink at one time shall not be unlawful if the mixed beverage drinks are sold for delivery or consumption off the permittee's premises. No mixed beverage ordered for off-premises consumption shall be provided to any person other than the purchaser of the mixed beverage, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the mixed beverage to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...."

SECTION 5.(b) G.S. 20-138.7 reads as rewritten:

"§ 20-138.7. Transporting an open container of alcoholic beverage.

(a) Offense. – No person shall drive a motor vehicle on a highway or the right-of-way of a highway:

- (1) While there is an alcoholic beverage in the passenger area in other than the unopened manufacturer's original ~~container; and~~ container or a container that remains securely sealed pursuant to G.S. 18B-1001(3), 18B-1001(5), or 18B-1001(10).
- (2) While the driver is consuming alcohol or while alcohol remains in the driver's body.

...."

SECTION 5.(c) G.S. 18B-1001.4 reads as rewritten:

"§ 18B-1001.4. Authorization of delivery service permit.

(a) Authorization. – The holder of a delivery service permit, or the permit holder's employee or independent contractor, may deliver malt beverages, unfortified wine, or fortified wine on behalf of a retailer holding a permit issued pursuant to subdivisions (1) through (6) and (16) of ~~G.S. 18B-1001~~ G.S. 18B-1001, and mixed beverages on behalf of a retailer holding a permit issued pursuant to subdivision (3), (5), or (10) of G.S. 18B-1001 when delivered in accordance with the requirements of those subdivisions, to a location designated by the purchaser. A delivery service permittee may also facilitate delivery through technology services that connect consumers and licensed retailers through the use of the Internet, mobile applications, and other similar technology.

(b) Training and Payment. – Prior to making any deliveries, each individual delivering alcoholic beverages pursuant to a delivery service permit shall successfully complete a course approved by the Commission related to the delivery of alcoholic beverages. Upon receipt of a proposed training program from a holder of a delivery service permit, the Commission shall have 15 business days to approve, deny, or request modifications to the proposed training program. An individual delivering alcoholic beverages pursuant to a delivery service permit shall not handle or possess funds used to purchase an alcoholic beverage that is to be delivered, but may facilitate the sales transaction in a manner that does not involve taking possession of funds.

(c) Age of Recipient and Notice. – An individual may only deliver alcoholic beverages pursuant to a delivery service permit to an individual who is at least 21 years of age and who immediately takes actual possession of the alcoholic beverages purchased. Delivery of single-serving unfortified wine drinks shall be made in accordance with G.S. 18B-1001(3). Delivery of single-serving fortified wine drinks shall be made in accordance with G.S. 18B-1001(5). Delivery of mixed beverages shall be made in accordance with G.S. 18B-1001(10). A delivery of alcoholic beverages in a package that obscures the manufacturer's original packaging shall have affixed to the outside of the package a notice in 26-point type or larger stating: "CONTAINS ALCOHOLIC BEVERAGES; AGE VERIFICATION REQUIRED."

(d) Limitations. – A delivery service permittee shall deliver alcoholic beverages only within the time allowed for lawful sales and consumption in the jurisdiction where the delivery is located. No delivery shall be made to any jurisdiction within the State that has not authorized the sale of the purchased alcoholic beverages. A delivery service permittee shall not deliver alcoholic beverages to the premises of another licensed retailer or more than 50 miles from the retailer's licensed premises. Only alcoholic beverages purchased for personal consumption and from a licensed retailer's existing inventory located on the retailer's premises may be delivered pursuant to a delivery service ~~permit~~, except for single-serving unfortified wine drinks in sealed containers meeting the requirements of G.S. 18B-1001(3), single-serving fortified wine drinks in sealed containers meeting the requirements of G.S. 18B-1001(5), and mixed beverages in sealed containers meeting the requirements of G.S. 18B-1001(10).

(e) Scope and Construction. – A delivery service permit is not required for a common carrier lawfully transporting or shipping alcoholic beverages. Nothing in this section shall be construed as exempting the delivery of alcoholic beverages pursuant to a delivery service permit from the requirements set forth in Article 4 of Chapter 18B of the General Statutes. Nothing in this section shall be construed to require a technology services company to obtain a delivery service permit if the company does not employ or contract with delivery drivers, but rather provides software or an application that connects consumers and licensed retailers for the delivery of alcoholic beverages from the licensed retailer. Nothing in this section shall be construed to require a retailer that holds a permit issued pursuant to subdivisions (1) through ~~(6)~~ (6), (10), and (16) of G.S. 18B-1001 to obtain a delivery service permit in order for employees

of the retail permittee to deliver malt beverages, unfortified wine, or fortified wine to a location designated by the purchaser, however, the other provisions of this section apply to the retailer.

(f) Penalties for Violations in Residence Halls. – Notwithstanding G.S. 18B-104, if a delivery service permittee commits a violation of this Chapter when delivering to a residence hall located on the premises of an institution of higher education the delivery service permittee shall be subject to a fine of up to one thousand dollars (\$1,000) for the first violation, up to one thousand five hundred dollars (\$1,500) for a second violation within three years of the first violation, and up to two thousand dollars (\$2,000) for a third or subsequent violation within three years of the first violation. In any case in which there are two or more violations within three years by a delivery service permittee when delivering to a residence hall on the premises of an institution of higher education in which the Commission is entitled to suspend or revoke a permit, the Commission may accept from the permittee an offer in compromise to pay a penalty of not more than ten thousand dollars (\$10,000). The Commission may either accept a compromise or revoke a permit, but not both. The Commission may accept a compromise and suspend the permit in the same case."

SECTION 5.(d) G.S. 18B-1105(a) reads as rewritten:

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

(a) The holder of a distillery permit may do any of the following:

...

- (4a) In an area where the sale of mixed beverages is authorized by law, sell mixed beverages for consumption on the ~~premises-premises~~, or for consumption off the premises in accordance with the requirements for sale for consumption off the premises described in G.S. 18B-1001(10). If a distillery elects to sell mixed beverages containing spirituous liquor other than that produced at the distillery, the distillery shall obtain a mixed beverages permit pursuant to G.S. 18B-1001.
- (4b) If the distillery is located on a property used for bona fide farm purposes, as defined in G.S. 160D-102(3), sell mixed beverages containing only spirituous liquor produced at the distillery for consumption on the ~~premises-premises~~, or for consumption off the premises in accordance with the requirements for sale for consumption off the premises described in G.S. 18B-1001(10), regardless of the results of any local mixed beverage election.
- (4c) In an area where the sale of mixed beverages has not been approved by a local election, sell mixed beverages containing only spirituous liquor produced at the distillery for consumption on the ~~premises-premises~~, or for consumption off the premises in accordance with the requirements for sale for consumption off the premises described in G.S. 18B-1001(10), upon obtaining a mixed beverages permit under G.S. 18B-1001.

...."

ALLOW MIXED BEVERAGE PERMITTEES TO PURCHASE SPIRITUOUS LIQUOR FROM ANY DESIGNATED ABC STORE IN THE SAME COUNTY AND MODIFY ELIGIBILITY FOR SMALL TOWNS TO HOLD ALCOHOL ELECTIONS

SECTION 6.(a) G.S. 18B-404(c) reads as rewritten:

"(c) Designated Store. – ~~A local board may designate a store within its system to make sales to mixed beverage permittees.~~ A mixed beverage permittee may purchase spirituous liquor from an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee."

SECTION 6.(b) G.S. 18B-600 reads as rewritten:

"§ 18B-600. Places eligible to hold alcoholic beverage elections.

...

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

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

...

(e) City Mixed Beverage Elections. – A city may hold a mixed beverage election if the city has at least 500 registered voters. Provided, that if a city that qualifies for an election under this subsection approves the sale of mixed beverages, a mixed beverages permittees-permittee in the city may purchase liquor from the ABC store designated by the local ABC board that has been approved by the Commission for this purpose. an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee.

(e1) Small City Mixed Beverage Elections. – A city may also hold a mixed beverage election if the city has at least ~~300-200~~ registered voters and is located in a county with at least one other city that has approved the sale of mixed beverages. Provided, that if a city that qualifies for an election under this subsection approves the sale of mixed beverages, a mixed beverages permittees-permittee in the smaller city may purchase liquor from the ABC store designated by any local ABC board in any other city that has approved the sale of mixed beverages. an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee.

~~This subsection shall not apply to Alamance, Avery, Burke, Caldwell, Carteret, Cleveland, Henderson, Onslow, Polk, Robeson, Rowan, Rutherford, and Wilkes Counties.~~

(e2) Ski Resorts ABC Elections. – Notwithstanding any other provisions of this section, any city that provides governmental services to as many as 1,000 snow skiers weekly during the normal ski season from December 1 through March 15, may hold an election authorized by subdivision (a)(1), (2), or (4) of this section. If the sale of mixed beverages is approved, notwithstanding G.S. 18B-404(c), the sales of liquor shall be made by any local board designated by the State ABC Commission.

~~(e3) Small Town Mixed Beverage Elections. – A town may hold a mixed beverage election if the town (i) has at least 200 registered voters, is located in a county bordering the Neuse River and Pamlico Sound that has not approved the sale of mixed beverages, and that county has only one city that has approved the sale of mixed beverages or (ii) has at least 200 registered voters, has a total area of less than 1 square mile, operates an ABC store, and is located in a county that has at least three cities that have approved the sale of mixed beverages. Provided, that if a town that qualifies for an election under this subsection approves the sale of mixed beverages, mixed beverages permittees in the town may purchase liquor from the ABC store designated by any local ABC board in any other city that has approved the sale of mixed beverages.~~

(e4) Multicounty/City ABC Elections. – If a city is located in two or more counties, the following provisions shall apply:

- (1) The city may hold a malt beverage or unfortified wine election if any county in which a portion of the city is located has already held such an election, the vote in the last election of the particular type was against the sale of that type of alcoholic beverage, and the city has a population of 500 or more.
- (2) The city may hold a mixed beverage election if the city has at least 500 registered voters and a county in which a portion of the city is located operates

ABC stores, or a municipality in either county in which the city is located operates an ABC store.

- (3) If an election is held by a city under this subsection, all of the city voters may vote in the election. If the vote is for approval, alcoholic beverages may be sold on the basis of that approval and under the provisions of this Chapter. If the sale of mixed beverages is approved, ~~the a mixed beverage permittees shall~~ permittee may purchase their liquor from one or more ABC stores located within the city that have been designated by the local boards for those purchases, an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee. The remaining gross receipts shall be distributed in accordance with existing law applicable to those ABC stores, except that after the applicable distributions have been made pursuant to G.S. 18B-805(b), (c), and (d), the local share of the mixed beverages surcharge and the guest room cabinet surcharge required by G.S. 18B-804(b)(8) and (9) shall be distributed one-half to the general fund of the city where the mixed beverage permittees are located and one-half to the local ABC boards from whose stores liquor is purchased.

(e5) Small Resort Town ABC Elections. – A town may hold a mixed beverage election if it:

- (1) Was incorporated after 1990 and prior to the effective date of this subsection;
- (2) Has at least 100 residents;
- (3) Is located in a county that borders another state and that has two other municipalities which have ABC stores; and
- (4) At the time of the election, has corporate boundaries that border or include land in three counties.

Provided, that if a town that qualifies for an election under this subsection approves the sale of mixed beverages, ~~a mixed beverages permittees-permittee~~ in the town may purchase liquor from the ABC store designated by any local ABC board in any other city that has approved the sale of mixed beverages, an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee.

...."

SECTION 6.(c) G.S. 18B-1007(a) reads as rewritten:

"(a) Purchases. – A mixed beverages permittee may purchase spirituous liquor for resale as mixed beverages and a guest room cabinet permittee may purchase spirituous liquor for resale from a guest room cabinet only at ~~an ABC store designated by a local board, an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee.~~"

SECTION 6.(d) This section is retroactively effective November 1, 2022, and applies to elections conducted on or after that date.

ALLOW MIXED BEVERAGE PERMITTEES TO COVER MIXED BEVERAGE TAX STAMPS WITH CLEAR ADHESIVE TO PREVENT THEM FROM FALLING OFF CONTAINERS OF SPIRITUOUS LIQUOR

SECTION 7. G.S. 18B-1007 is amended by adding a new subsection to read:

"(e) A mixed beverages permittee may not destroy, alter, or deface the mixed beverages tax stamp or any other stamp, label, seal, or device required by law to be affixed to a spirituous liquor container before the container has been emptied. However, the permittee may cover the tax stamp with a clear adhesive for the purpose of preventing the tax stamp from being detached from the container, provided that the tax stamp shall remain legible and capable of being permanently defaced when the container is empty."

SPECIAL PURCHASE ALLOWANCE MODIFICATION

SECTION 8.(a) Article 2 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-211. Special purchase allowance limitation.

The Commission shall notify industry members and local boards at least 60 days in advance of the effective date of an approved retail price reduction for a spirituous liquor product. The price of the spirituous liquor for local boards shall be reduced only for the 30 days that the approved retail price reduction is in effect."

SECTION 8.(b) The Commission shall adopt rules to address orders placed by a local board for a product with an approved retail price reduction when the product is out of stock while the approved retail price reduction is in effect.

ALLOW ABC STORES TO SELL VALUE-ADDED PRODUCTS, GIFT CARDS, AND BARRELS

SECTION 9.(a) G.S. 18B-800 reads as rewritten:

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

(a) Spirituous Liquor. – Except as provided in Articles 10 and 11 of this Chapter, spirituous liquor may be sold only in ABC stores operated by local boards. For purposes of this subsection, the term "sold only in ABC stores operated by local boards" includes online orders placed in accordance with subsection (c3) of this section.

(b) Fortified Wine. – In addition to spirituous liquor, ABC stores may sell fortified wine. ABC stores may also sell wine products, irrespective of alcohol content by volume, which were classified as fortified wine by the ABC Commission prior to July 7, 2004.

(b1) Consumer Specialty Items. – ABC stores may sell branded consumer specialty items such as bottle or can openers, cork screws, muddlers, ashtrays, shopping bags, individual can coolers, drinking glasses, clothing, or key chains that are packaged with a spirituous liquor product. A branded consumer specialty item shall not include a tobacco, vapor, or hemp product or tobacco, vapor, or hemp paraphernalia. The Commission may approve the retail price for a spirituous liquor product packaged by the producer with one or more branded specialty items at a different price than an individual bottle of the same spirituous liquor product. The local board shall not remove a spirituous liquor product packaged by the producer with one or more branded specialty items from the package.

(b2) Gift Cards. – ABC stores may sell physical or electronic gift cards. The ABC store shall not collect sales tax for the sale of the gift card. A gift card may be purchased or redeemed only by a customer 21 years of age or older. A local board or ABC store may not offer a discount on a gift card or value on the gift card in excess of the amount paid by the customer. A gift card may be redeemed at any ABC store operated by the local board from which the gift card was purchased. A gift card sold by an ABC store shall not expire until the funds on the card are exhausted.

(b3) Barrels. – An ABC store may sell empty barrels or parts of barrels received from a distiller in which spirituous liquors were aged, provided that the local board also purchased the spirituous liquor aged in the barrel.

...

(c3) Online Orders. – An ABC store may accept an online order, including payment, for gift cards and alcoholic beverages sold in its store. An order for alcoholic beverages placed online pursuant to this subsection shall be picked up in person at the store by the individual who placed the order. An order for a gift card may be delivered digitally to the purchaser. An order placed online pursuant to this subsection shall include the name and unique identifier number of the individual placing the order, who shall be at least 21 years of age as shown on the form of identification authorized pursuant to G.S. 18B-302(d)(1) and otherwise legally authorized to purchase alcoholic beverages. An employee of the ABC store shall confirm that ~~the~~ an online

order for alcoholic beverages is picked up in person at the store by the individual who placed the order by verifying the individual's identification that conforms to the identifying information contained in the online order.

...."

SECTION 9.(b) This section becomes effective July 1, 2024.

ALLOW LOCAL BOARDS TO SELL PRODUCTS BELOW THE DISTILLER'S PRICE

SECTION 10. Article 7 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-708. Sale of certain spirituous liquors below distiller's price.

(a) Notwithstanding G.S. 18B-804(b), the Commission may authorize a local board to sell certain spirituous liquors below the price paid by the local board for the spirituous liquors, including the bailment charge and surcharge, upon request from the local board. Before allowing the local board to sell spirituous liquor below the price paid by the local board, the Commission shall verify that allowing the price reduction will not cause the local board to operate at an annual net loss or, if the local board was already operating at a loss, will not cause the local board to incur additional annual net revenue losses.

(b) If a distillery requests to be notified if its products are authorized for pricing below the distiller's price pursuant to this section, the Commission shall notify the distiller of the product and the local board for which the reduced pricing is authorized within 24 hours of the authorization. The Commission shall notify the local board upon authorization if the distillery has requested to be notified. The distillery shall have the right of first refusal to purchase any of the distillery's products that a local board requests to sell pursuant to this section for the price authorized by the Commission for two business days prior to the reduction of the retail price in the ABC store. If the distillery has not purchased the products within two business days after being notified of the reduced pricing by the Commission, the local board may reduce the retail price. If the distillery has not requested to be notified if its products are authorized for pricing below the distiller's price pursuant to this section, the local board may reduce the retail price immediately upon authorization by the Commission."

AMEND ELIGIBILITY FOR ALCOHOLIC BEVERAGE SALES ON TRAINS

SECTION 11. G.S. 18B-108 reads as rewritten:

"§ 18B-108. Sales on trains.

Alcoholic beverages may be sold on railroad trains in this State upon compliance with Article 2C of Chapter 105 of the General Statutes. Malt beverages, unfortified wine, and fortified wine may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or agent of a rail line that carries at least 60,000 passengers ~~annually~~ annually or is at least 100 miles long and connects to the national rail network."

ALLOW SALE OF TWO MIXED BEVERAGES AT SPIRITUOUS LIQUOR SPECIAL EVENTS

SECTION 12. G.S. 18B-1114.7(b1) reads as rewritten:

"(b1) General Limitations on Sales of Mixed Beverages. – The sale of mixed beverages in conjunction with a consumer tasting under a spirituous liquor special event permit is subject to the following limitations:

- (1) The sale of mixed beverages in conjunction with a consumer tasting is not authorized at shopping malls, street festivals, holiday festivals, or balloon races.
- (2) The mixed beverages shall contain only spirituous liquor distilled or produced at the distillery.

- (3) The permit holder or the permit holder's authorized agent shall conduct the sale of mixed beverages, and the permit holder shall be solely responsible for any violations of this Chapter occurring in connection with the event.
- (4) The permit holder or the permit holder's authorized agent may only sell mixed beverages containing products from one distillery per booth, kiosk, or display.
- (5) The mixed beverage shall be prepared only by either (i) the permit holder or the permit holder's authorized agent conducting the consumer tasting or (ii) an employee of the permit holder or the permit holder's authorized agent conducting the consumer tasting who is at least 21 years of age.
- (6) The permit holder or the permit holder's authorized agent shall not knowingly sell more than ~~one mixed beverage~~ two mixed beverages to a customer per calendar day, per distillery.
- (7) The permit holder or the permit holder's authorized agent shall not sell or serve mixed beverages to any consumer who is visibly intoxicated.
- (8) The permit holder or the permit holder's authorized agent shall not sell or serve mixed beverages to any consumer under 21 years of age. The person preparing the mixed beverage shall be responsible for verifying the age of the consumer being served by checking the identification of the consumer.
- (9) The sale of mixed beverages shall not be allowed unless the venue is located in a jurisdiction that has approved the sale of mixed beverages.
- (10) Mixed beverages may not be sold between the hours of 2:00 A.M. and 7:00 A.M., except that on Sundays mixed beverages may not be sold until 12:00 noon unless otherwise authorized by local ordinance pursuant to G.S. 153A-145.7 or G.S. 160A-205.3."

TRANSITION PERIOD FOR ABC PERMITTEE OWNERSHIP; SAFE HARBOR AND LATE RENEWAL FEES; CLARIFICATION REGARDING TRANSFER OF A PERMITTED ESTABLISHMENT TO A TRUST; AND TEMPORARY PERMIT CHANGES

SECTION 13.(a) G.S. 18B-903 reads as rewritten:

"§ 18B-903. Duration of permit; renewal and transfer.

(a) Duration. – Once issued, ABC permits shall be valid for the following periods, unless earlier surrendered, suspended or revoked:

- (1) On-premises and off-premises malt beverage, unfortified wine, and fortified wine permits; culinary permits; and all permits listed in G.S. 18B-1100 shall remain valid ~~indefinitely~~; indefinitely.
- (2) Limited special occasion permits shall be valid for 48 hours before and after the occasion for which the permit was ~~issued~~; issued.
- (3) Special one-time permits issued under G.S. 18B-1002 shall be valid for the period stated on the ~~permit~~; permit.
- (4) Temporary permits issued under G.S. 18B-905 shall be valid for 90 ~~days~~; and days. After 90 days, a temporary permit shall no longer be deemed a temporary permit and shall be deemed to have been issued under either subdivision (a)(1) or (a)(5) of this section, as applicable, and shall remain valid pursuant to the applicable subdivision.
- (5) All other ABC permits shall be valid for one year, from May 1 to April 30.

...

(b3) Safe Harbor; Late Fees. – Notwithstanding subsection (a) of this section, the Commission shall not revoke a permit for failure to pay a renewal application fee or an annual registration and inspection fee until June 1 of each year. No later than five business days after April 30 of each year, the Commission shall notify permittees who have not paid any required

renewal application fees or annual registration and inspection fees as of April 30. The Commission shall charge a late fee of twenty-five percent (25%) of the renewal application fee or registration and inspection fee for a permit for which the renewal application fee or registration and inspection fee is submitted after April 30.

(c) Change in Ownership. –

(1) Except as provided in ~~subdivision (2)~~ subdivisions (2) and (2a) of this subsection, all permits for an establishment shall automatically expire and shall be surrendered to the Commission ~~if~~ in any of the following circumstances:

a. ~~Ownership of the establishment changes; or~~ changes.

b. There is a change in the membership of the firm, association or partnership owning the establishment, involving the acquisition of a twenty-five percent (25%) or greater share in the firm, association or partnership by someone who did not previously own a twenty-five percent (25%) or greater ~~share; or~~ share.

c. Twenty-five percent (25%) or more of the stock of the corporate permittee owning the establishment is acquired by someone who did not previously own twenty-five percent (25%) or more of the stock.

(2) Notwithstanding subsection (e) of this section, any person who through contract, lease, management agreement, or change of ownership or transfer of business as provided in subdivision (1) of this subsection becomes lawfully entitled to use and control of the premises of an establishment that holds permits immediately prior to such change of ownership may continue to operate the establishment, as successor to the prior permittee, to the same extent as the predecessor permittee until the person receives a temporary or new permit, including purchasing malt beverages, unfortified wine, or fortified wine to be resold for on-premises or off-premises consumption, or spirituous liquor for use in mixed beverages sold by the establishment, as applicable under the permit, subject to the following limitations:

a. The person shall provide written or electronic notice to the Commission of the name of the non-permitted person, the name and address of the permitted establishment, and the date of the change in ownership. The person may not operate the establishment as provided in this subdivision until the person has provided notice to the Commission. The Commission shall not require any additional documentation besides the written or electronic notice to satisfy this requirement. The prior permittee shall not be liable for any acts or omissions of the non-permitted person operating the establishment. Any alcoholic beverage offenses committed by the person or any actions taken by the Commission to revoke or suspend the permit based on the acts or omissions of the person operating the establishment shall not preclude the prior permittee from receiving an ABC permit for a different establishment.

b. The person shall submit a new permit application to the Commission within 60 days after the change of ownership. If the person does not apply for a new permit within 60 days, all permits for the establishment shall automatically expire and shall be surrendered to the Commission. If the person has applied to the applicable local government for the Inspection/Zoning Compliance and Local Government Opinion forms required for the application but has not received approvals or denials from the local government within the 60-day period, the applicant may

submit a sworn affidavit with the application stating that the person has applied to the local government for the Inspection/Zoning Compliance and Local Government Opinion approvals in lieu of those approvals. The person shall send the local government approvals or denials to the Commission within three business days of receiving the approvals or denials. If the local government finds the person to be in noncompliance, the person may not operate during the transition period allowed by this subdivision until the establishment is brought into compliance.

- c. The 60-day period to file a new permit application shall only be allowed once per 24 months for each establishment that holds an ABC permit, unless the establishment requests and the Commission grants a waiver of the 24 month requirement. The Commission shall grant a waiver of the 24 month requirement if it determines that the public health, safety, and welfare would not be harmed by granting the waiver.
- d. This subdivision shall apply only to establishments that hold ABC permits that are in good standing and that have not been found responsible by the Commission or a court of competent jurisdiction of a gambling, assault, disorderly conduct, prostitution, or controlled substances violation within 12 months prior to the date the non-permitted person becomes entitled to use and control of the establishment.
- e. The person shall be authorized to operate the establishment as successor to the prior permittee to the same extent as the predecessor permittee until the Commission either issues or denies the permit application submitted pursuant to sub-subdivision b. of this subdivision.

(2a) The transfer by a person of any ownership interest to a revocable or irrevocable trust established by the person shall not constitute a change in ownership for purposes of subdivision (1) of this subsection if the person transferring the ownership interest to the trust continues to operate the establishment. If the person who transferred the ownership interest ceases to operate the establishment following the transfer of the ownership interest to the trust, this shall constitute a change in ownership for purposes of subdivision (1) of this subsection. The trustee shall notify the Commission within 30 days if the person who transferred the ownership interest ceases to operate the establishment.

...."

SECTION 13.(b) G.S. 18B-905 reads as rewritten:

"§ 18B-905. Temporary permits.

When an application has been received in proper form, with the required application fee, the Commission may issue a temporary permit for any of the activities for which permits are authorized under G.S. 18B-1001 and 18B-1100. A temporary permit may be revoked summarily by the Commission without complying with the provisions of Chapter 150B. Revocation of a temporary permit or withdrawal by the Commission of a pending application by a permittee possessing a temporary permit shall be effective upon service of the notice of revocation or withdrawal upon the permittee at either the permittee's residence or the address given for the business in the permit application or upon the expiration of ~~three working~~ five business days after the notice of the revocation or withdrawal has been mailed to the permittee at either ~~his~~ the

permittee's residence or the address given for the business in the permit application. No further notice shall be required."

MAKE TECHNICAL CORRECTIONS RELATED TO BARS AND ALLOW MALT BEVERAGES TO BE MIXED WITH OTHER BEVERAGES

SECTION 14.(a) G.S. 18B-1001, as amended by Section 5(a) of this act, reads as rewritten:

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

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

- (1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit authorizes (i) the retail sale of malt beverages for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of malt beverages in a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer malt beverages, not more than four times per calendar year, to another on-premises malt beverage permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of malt beverages by on-premises malt beverage permittees, purchases of malt beverages by a retail permittee from another retail permittee for the purpose of resale, and sales of malt beverages by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of malt beverages may be transferred only if both the transferor and transferee are located within the territory designated between the brewery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. It also authorizes the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Eating establishments.
- d. Food businesses.
- e. Retail businesses.
- f. Private clubs.
- g. Convention centers.
- h. Community theatres.
- i. Breweries as authorized by subdivisions (7) and (8) of G.S. 18B-1104(a).
- j. Sports and entertainment venues.
- k. ~~Private bars.~~ Bars.
- l. The holder of a distillery permit authorized under G.S. 18B-1105.

...

- (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the

premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Eating establishments.
- d. Private clubs.
- e. Convention centers.
- f. Cooking schools.
- g. Community theatres.
- h. Wineries.
- i. Wine producers.
- j. Retail businesses.
- k. Sports and entertainment venues.
- l. ~~Private bars.~~ Bars.
- m. The holder of a distillery permit authorized under G.S. 18B-1105.
- n. Breweries.

Additionally, an on-premises unfortified wine permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, winery, or wine producer to sell at retail single-serving unfortified wine drinks for consumption off the premises, including delivery by the permittee or a delivery service permittee. Single-serving unfortified wine drinks sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the transportation of single-serving unfortified wine drinks shall not be unlawful if the container continues to be

sealed and is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than two single-serving unfortified wine drinks at one time shall not be unlawful if the single-serving unfortified wine drinks are sold for delivery or consumption off the permittee's premises. No single-serving unfortified wine by the drink ordered for off-premises consumption shall be provided to any person other than the purchaser of the single-serving unfortified wine drink, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the single-serving unfortified wine drink to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...

- (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit authorizes the retail sale of fortified wine for consumption on the premises, either alone or mixed with other beverages, and the retail sale of fortified wine in the manufacturer's original container for consumption off the premises. The permit also authorizes the permittee to transfer fortified wine, not more than four times per calendar year, to another on-premises fortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises fortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship fortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Private clubs.
- d. Community theatres.
- e. Wineries.
- f. Convention centers.
- g. ~~Private bars.~~ Bars.
- h. The holder of a distillery permit authorized under G.S. 18B-1105.
- i. Sports and entertainment venues.
- j. Breweries.

Additionally, an on-premises fortified wine permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail single-serving unfortified wine drinks for consumption off the premises,

including delivery by the permittee or a delivery service permittee. Single-serving fortified wine drinks sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the transportation of single-serving fortified wine drinks shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than two single-serving fortified wine drinks at one time shall not be unlawful if the single-serving fortified wine drinks are sold for delivery or consumption off the permittee's premises. No single-serving fortified wine by the drink ordered for off-premises consumption shall be provided to any person other than the purchaser of the single-serving fortified wine drink, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the single-serving unfortified wine drink to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...

- (7) Brown-Bagging Permit. – A brown-bagging permit authorizes each individual patron of an establishment, with the permission of the permittee, to bring up to eight liters of fortified wine or spirituous liquor, or eight liters of the two combined, onto the premises and to consume those alcoholic beverages on the premises. The permit may be issued for any of the following:
- a. Restaurants.
 - b. Hotels.
 - c. Private clubs.
 - d. Community theatres.
 - e. Congressionally chartered veterans organizations.
 - f. ~~Private bars.~~ Bars.
- (8) Special Occasion Permit. – A special occasion permit authorizes the host of a reception, party or other special occasion, with the permission of the permittee, to bring fortified wine and spirituous liquor onto the premises of the business and to serve the same to ~~his~~ the permittee's guests. The permit may be issued for any of the following:
- a. Restaurants.
 - b. Hotels.
 - c. Eating establishments.
 - d. Private clubs.
 - e. Convention centers.
 - f. ~~Private bars.~~ Bars.
 - g. Sports and entertainment venues.

...

- (10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail sale of mixed beverages for consumption on the premises. The permit also authorizes a mixed beverages permittee to obtain an antique spirituous liquor permit under subdivision (20) of this section and to use for culinary purposes spirituous liquor lawfully purchased for use in mixed beverages. The permit may be issued for any of the following:
- a. Restaurants.

- b. Hotels.
- c. Private clubs.
- d. Convention centers.
- e. Community theatres.
- f. Nonprofit organizations.
- g. Political organizations.
- h. Sports and entertainment venues.
- i. ~~Private bars.~~ Bars.
- j. The holder of a distillery permit authorized under G.S. 18B-1105.
- k. Breweries.
- l. Wineries.

Additionally, a mixed beverages permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, winery, or the holder of a distillery permit to sell at retail mixed beverages for consumption off the premises, including delivery by the permittee or a delivery service permittee. A mixed beverage sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap, including premixed cocktails in the manufacturer's original closed container, and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the transportation of a mixed beverage shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than one mixed beverage drink at one time shall not be unlawful if the mixed beverage drinks are sold for delivery or consumption off the permittee's premises. No mixed beverage ordered for off-premises consumption shall be provided to any person other than the purchaser of the mixed beverage, except that in the case of delivery, the delivery service permittee may provide the mixed beverage to a person other than the purchaser if the permittee verifies that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...."

SECTION 14.(b) G.S. 130A-250(4a) reads as rewritten:

"(4a) ~~Bars.~~ Bars as defined in G.S. 130A-247(1)."

ESTABLISH MALT BEVERAGE SHOP PERMIT

SECTION 15.(a) G.S. 18B-300.1(b) reads as rewritten:

"(b) Definitions. – The following definitions apply in this section:

- (1) Customer. – A person who purchases an alcoholic beverage from a permittee that is in a social district.
- (2) Non-permittee business. – A business that is located in a social district and does not hold any ABC permit.
- (3) Permittee. – An establishment holding any of the following permits issued by the Commission:
 - a. An on-premises malt beverage permit issued pursuant to G.S. 18B-1001(1).
 - b. An on-premises unfortified wine permit issued pursuant to G.S. 18B-1001(3).
 - c. An on-premises fortified wine permit issued pursuant to G.S. 18B-1001(5).

- d. A mixed beverages permit issued pursuant to G.S. 18B-1001(10).
- e. A wine shop permit issued pursuant to G.S. 18B-1001(16).
- f. A distillery permit issued pursuant to G.S. 18B-1100(5).
- g. A malt beverage shop permit issued pursuant to G.S. 18B-1001(16a)."

SECTION 15.(b) G.S. 18B-902(d) is amended by adding a new subdivision to read:
"(52) Malt beverage shop permit – \$100.00."

SECTION 15.(c) G.S. 18B-903(b) reads as rewritten:

"(b) Renewal. – Application for renewal of an ABC permit shall be on a form provided by the Commission. An application for renewal shall be accompanied by an application fee. The application fee shall be the same amount as the initial fee set in G.S. 18B-902, except that the renewal application fee for each wine shop permit or malt beverage shop permit shall be five hundred dollars (\$500.00), and the renewal application fee for each mixed beverages permit and each guest room cabinet permit shall be one thousand dollars (\$1,000). A renewal fee shall not be refundable."

SECTION 15.(d) G.S. 18B-1001 is amended by adding a new subdivision to read:

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

ESTABLISH TWO NEW PERMITS AND REGULATE OUTSIDE ALCOHOL AT ADULT LIVE ENTERTAINMENT BUSINESSES

SECTION 16.(a) G.S. 18B-1001 is amended by adding two new subdivisions to read:

"(24) Cotenant Permit. – A permit under this subdivision may be issued to a restaurant that occupies the same building as another ABC permittee, provided that the building has no other tenants and the building does not have a common area that is open to the public but not part of the premises of one of the two permittees. The permit authorizes the permittee to allow customers to bring open containers of malt beverages, unfortified wine, fortified wine, or mixed beverages from the premises of the other ABC permittee who occupies the same building onto the premises of the permit holder."

- (25) Bring Your Own Beverage Permit. – A permit issued under this subdivision may be issued to an adult live entertainment business as defined in G.S. 14-202.10. This permit authorizes the permittee to allow patrons to bring closed containers of malt beverages and unfortified wine onto the premises and consume the malt beverages and unfortified wine on the premises."

SECTION 16.(b) G.S. 18B-902(d) is amended by adding two new subdivisions to read:

"(53) Cotenant permit – \$50.00.

(54) Bring your own beverage permit – \$100.00."

SECTION 16.(c) Article 3 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-301.1. Possession and consumption at adult live entertainment businesses.

It shall be unlawful to consume, or to allow the consumption of, alcoholic beverages at any adult live entertainment business as defined in G.S. 14-202.10 except pursuant to one or more permits allowing the sale or consumption of alcohol issued pursuant to this Chapter."

SECTION 16.(d) This section becomes effective July 1, 2024.

ESTABLISH MOBILE BAR SERVICES PERMIT

SECTION 17.(a) G.S. 18B-902(d) is amended by adding a new subdivision to read:

"(55) Mobile bar services permit – \$500.00."

SECTION 17.(b) G.S. 18B-1001 is amended by adding a new subdivision to read:

"(12a) Mobile Bar Services Permit. – A mobile bar services permit may be issued to a business that provides bartending services for events. The permit authorizes the permittee to bring malt beverages, unfortified wine, fortified wine, and spirituous liquor onto the premises of a business that is not an ABC permittee and to serve the alcoholic beverages to guests at the event. The permittee may purchase malt beverages and unfortified wine from either a retailer or a wholesaler. The permittee may purchase fortified wine from either an ABC store or a wholesaler. The permittee shall purchase spirituous liquor from an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county where the permittee's principal office is located. The permittee may not serve alcoholic beverages pursuant to a mobile bar services permit on the premises of any location owned or possessed by the permittee. The permittee shall notify the Commission, in writing, of the location of any event where the permittee will serve alcoholic beverages not less than one week before the event and shall have the permission of the owner or possessor of the property on which the event is to be held. Any person serving alcoholic beverages at the event shall be at least 21 years of age. Alcoholic beverages may be transported by the mobile bar services permit holder to the premises of the event no earlier than 8:00 A.M. At the conclusion of the event, all alcoholic beverages must be removed from the premises no later than 12:00 noon of the following day. A limited special occasion permit shall not be required for an event at which alcoholic beverages are exclusively provided by the holder of a mobile bar services permit. The holder of a mobile bar services permit may bring alcoholic beverages onto the premises and serve the alcoholic beverages at an event regardless of whether there is a charge or fee for guests to attend the event. This permit does not allow the retail sale of individual alcoholic beverages to guests at an event."

SECTION 17.(c) G.S. 18B-804(b)(8), as amended by Section 1(b) of this act, reads as rewritten:

- "(8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar services permittee for resale in mixed beverages, a charge of twenty dollars (\$20.00) on each four liters and a proportional sum on lesser quantities. This subdivision shall not apply to premixed cocktails sold to a mixed beverage permittee in a closed package for resale in or from the closed package, and a mixed beverages tax stamp shall not be required on these closed packages."

SECTION 17.(d) G.S. 18B-902(h) reads as rewritten:

"(h) Recycling Plan Required. – Each applicant for an on-premises malt beverage permit, on-premises unfortified wine permit, on-premises fortified wine permit, or a mixed beverages permit shall prepare and submit with the application a plan for the collection and recycling of all recyclable beverage containers of all beverages to be sold at retail on the premises. Each applicant for a mobile bar services permit shall prepare and submit with the application a plan for the collection and recycling of all recyclable beverage containers of all beverages to be served at an event pursuant to the permit. A permittee who is not able to find a recycler for its beverage containers may apply to the Alcoholic Beverage Control Commission for a one-year stay of the requirement to implement a recycling program in compliance with G.S. 18B-1006.1. The application shall be made in a form specified by the Commission, shall detail the efforts made by the permittee to provide for the collection and recycling of beverage containers, and shall specify the impediments to implementation of a recycling plan. The Commission shall submit all such applications to the Division of Environmental Assistance and Outreach of the Department of Environmental Quality for review and certification. The Division of Environmental Assistance and Outreach shall investigate each application and prepare a summary of its investigation and shall submit the summary to the Commission along with a notation indicating certification or denial of the application. A permittee whose application for a stay is certified by the Division of Environmental Assistance and Outreach shall not be required to comply with the recycling requirement of the alcoholic beverage laws and regulations during the one-year stay period so certified."

SECTION 17.(e) G.S. 18B-903(b2) reads as rewritten:

"(b2) Recycling Plan Required. – Each person holding an on-premises malt beverage permit, on-premises unfortified wine permit, on-premises fortified wine permit, or a mixed beverages permit shall submit, along with the annual registration or renewal application, either a current plan for the collection and recycling of all recyclable beverage containers of all beverages sold at retail on the premises, or an application for a waiver pursuant to G.S. 18B-902(h). Each person holding a mobile bar services permit shall submit, along with the annual renewal application, either a current plan for the collection and recycling of all recyclable beverage containers of all beverages to be served at an event pursuant to the permit, or an application for a waiver pursuant to G.S. 18B-902(h)."

SECTION 17.(f) This section becomes effective July 1, 2024.

COMMUNITY THEATRE CLARIFICATION

SECTION 18. G.S. 18B-1000(1a) reads as rewritten:

- "(1a) Community theatre. – An establishment owned and operated by a bona fide nonprofit organization that is engaged solely in the business of sponsoring or presenting amateur or professional ~~theatrical~~ performing arts events to the public. A permit issued for a community theatre is valid only during regularly scheduled ~~theatrical~~ performing arts events sponsored by such nonprofit organization."

REQUIRE ALCOHOL LAW ENFORCEMENT TO NOTIFY PERMIT HOLDER OF VIOLATIONS

SECTION 19.(a) G.S. 18B-502 is amended by adding a new subsection to read:

"(c) If any alcohol law enforcement agent or local ABC officer issues a citation to an employee of a permitted establishment, who is not the named holder of an ABC permit for the establishment, for conduct occurring on the premises of the establishment that is a violation of this Chapter or Chapter 14 of the General Statutes, the alcohol law enforcement agent or local ABC officer shall send notice by electronic means or certified mail to the holder of the permit within five business days of the issuance of the citation. If the Commission receives a report from a law enforcement agency other than the Division of Alcohol Law Enforcement of the Department of Public Safety or a local ABC officer documenting violations of this Chapter or Chapter 14 of the General Statutes for conduct occurring on the premises of a permitted establishment, the Commission shall send notice of the alleged violation to the holder of the permit within five business days of receipt of the law enforcement agency report. The written notice shall identify the currently alleged violations and the involved employee. Nothing in this subsection shall prevent or limit the Commission from taking any additional action warranted by the circumstances of the violation."

SECTION 19.(b) This section becomes effective September 1, 2024, and applies to violations occurring on or after that date.

ESTABLISH DISTILLERY ESTATE DISTRICTS

SECTION 20.(a) G.S. 18B-1006 is amended by adding a new subsection to read:

"(r) Distillery Estate Districts. –

- (1) For purposes of this subsection, "distillery estate district" means a tract of real property or multiple contiguous or adjacent tracts of real property, separated only by a river, lake, or public or private road, on which a distillery holding a permit under G.S. 18B-1105, a winery holding an unfortified winery permit under G.S. 18B-1101, and at least three other establishments holding mixed beverages permits are located. All of the real property, distillery, winery, and establishments holding mixed beverage permits shall be under common ownership and control. The premises of the distillery shall include all buildings and facilities in which the distillery conducts activities authorized by G.S. 18B-1105. For purposes of this subsection, "common ownership and control" includes ownership or control by a parent or affiliate entity of the distillery. A distillery or its parent or affiliate entity shall notify the Commission of the boundaries of the real property comprising the distillery estate district and provide to the Commission a list of the ABC permittees under common ownership and control that are located in the distillery estate district prior to engaging in activities authorized under this subsection.
- (2) Notwithstanding any other provision of law, a mixed beverages permittee located in a distillery estate district and under common ownership and control with the distillery in the distillery estate district may sell spirituous liquor produced at the distillery located in the distillery estate district in mixed beverages as if it were being sold at the distillery. Spirituous liquor sold pursuant to this subdivision shall be listed as a code item for sale in the State but shall not be required to be sent to the State warehouse or be stamped with a mixed beverages tax stamp.
- (3) Notwithstanding any other provision of law, a distillery in a distillery estate district may, without approval from the Commission, conduct consumer tastings of spirituous liquor produced at the distillery subject to the requirements of G.S. 18B-1114.7(b) anywhere in the distillery estate district, including outdoors and on the premises of another ABC permittee located in the distillery estate district.

- (4) Notwithstanding any other provision of law, on- and off-premises unfortified wine permittees located in a distillery estate district and under common ownership and control with the distillery in the distillery estate district may sell bottles of spirituous liquor produced at the distillery at retail for consumption off the premises as if those bottles were being sold in the distillery following a tour. Sales under this subdivision may occur between the hours of 9:00 A.M. and 9:00 P.M. on Monday through Saturday of each week, from 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M. to 9:00 P.M. on each of the following holidays that do not fall on a Sunday: New Year's Day, Fourth of July, Labor Day and Thanksgiving Day. Spirituous liquor sold under this subdivision shall (i) be listed as a code item for sale in the State, (ii) be sold at the price set by the Commission for the code item pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle any labeling requirements set by law. The distillery shall be responsible for remitting to the Department of Revenue the spirituous liquor excise tax pursuant to G.S. 105-113.80 on bottles sold pursuant to this subdivision. The on- or off-premises unfortified wine permittees shall be responsible for remitting to the Department of Revenue the sales and use tax on bottles sold in those establishments.
- (5) No distillery, mixed beverages permittee, on-premises unfortified wine permittee, or off-premises unfortified wine permittee shall be required to obtain any additional permits to conduct the activities authorized by this subsection.
- (6) Nothing in this subsection shall be construed to limit or otherwise affect the activities authorized by any permit held by an ABC permittee located in a distillery estate district."

SECTION 20.(b) G.S. 18B-804(b1) reads as rewritten:

"(b1) Price of Spirituous Liquor Sold at Distillery-Distillery or Distillery Estate District. – When the holder of a distillery permit sells spirituous liquor distilled at the distillery pursuant to G.S. 18B-1105(a)(4), or an on- or off-premises unfortified wine permittee sells spirituous liquor in a distillery estate district, the retail price of the spirituous liquor shall be the uniform State price set by subsection (a) of this section. However, the holder of the ~~distillery~~-permit shall not be required to remit the components of the price set forth by subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of subsection (b) of this section."

SECTION 20.(c) G.S. 105-113.80(c) reads as rewritten:

"(c) Liquor. – An excise tax of thirty percent (30%) is levied on spirituous liquor and antique spirituous liquor sold in ~~ABC stores and in stores, permitted distilleries, distilleries, and in establishments holding an on- or off-premises unfortified wine permit in a distillery estate district pursuant to G.S. 18B-1006(r).~~ Pursuant to G.S. 18B-804(b), the price of liquor on which this tax is computed is the spirituous liquor or antique spirituous liquor seller's price plus (i) the State ABC warehouse freight and bailment charges and (ii) a markup for local ABC boards, unless otherwise specified by law."

SECTION 20.(d) This section becomes effective July 1, 2024.

WHOLESALE DISTRIBUTION CENTERS

SECTION 21.(a) G.S. 18B-1106 reads as rewritten:

"§ 18B-1106. Authorization of wine importer permit.

(a) Authorization. – The holder of a wine importer permit ~~may~~may do all of the following:

- (1) Import fortified and unfortified wines from outside the United States in closed ~~containers~~containers.

- (2) Store those ~~wines;~~wines.
- (3) Sell those wines to wine wholesalers for purposes of resale.
- (4) Receive fortified and unfortified wine into the State for storage, sale, shipment, or transshipment to private or public entities or establishments of other states or nations, subject to the laws thereof.

(b) Distribution Agreements. – Wine distribution agreements are governed by Article 12 of this Chapter.

(c) The holder of a wine importer permit may import and sell to wholesalers only wine for which it is a primary American source of supply. To be considered a primary American source of supply, a wine importer must establish that it has lawfully purchased the wine from the winery, or from an agent of the winery, and by written contract or otherwise has been authorized by the winery to distribute the wine to wholesalers in the United States."

SECTION 21.(b) G.S. 18B-1108 reads as rewritten:

"§ 18B-1108. Authorization of malt beverages importer permit.

The holder of a malt beverages importer permit ~~may~~may do all of the following:

- (1) Import malt beverages from outside the United States in closed ~~containers;~~containers.
- (2) Store those malt ~~beverages;~~beverages.
- (3) Sell those malt beverages to malt beverage wholesalers for purposes of resale.
- (4) Receive malt beverages into the State for storage, sale, shipment, or transshipment to private or public entities or establishments of other states or nations, subject to the laws thereof."

SECTION 21.(c) G.S. 18B-1119 reads as rewritten:

"§ 18B-1119. Supplier's financial interest in wholesaler.

(a) A supplier or an officer, director, employee or affiliate of a supplier may not acquire, possess, or otherwise maintain an ownership interest in its wholesaler except as expressly authorized by this Chapter.

(b) Repealed by Session Laws 2018-100, s. 7(b), effective June 26, 2018.

(c) A supplier or an officer, director, employee or affiliate of a supplier may have a security interest in the inventory or property of its wholesaler to secure payment for such inventory or other loans for other purposes.

(d) For purposes of this section, "supplier" means a manufacturer, bottler, importer, or owner of one or more brands of malt beverages, unfortified wine, or fortified wine distributed by its wholesaler. The term "supplier" does not include a wholesaler that meets either of the following criteria:

- (1) The wholesaler also possesses a wine importer permit or a malt beverages importer permit and does not directly or through an affiliated entity also possess a nonresident wine vendor permit or a nonresident malt beverages vendor permit issued pursuant to this Chapter.
- (2) The wholesaler is an importer in another state, provided such malt beverages, unfortified wine, or fortified wine are transferred to it through an unaffiliated and independent third party."

SECTION 21.(d) G.S. 18B-1105.1 reads as rewritten:

"§ 18B-1105.1. Authorization of liquor importer/bottler permit.

The holder of a liquor importer/bottler permit may:

- ...
- (5) Receive spirituous liquor in closed containers into the State for storage, sale, shipment, and transshipment to the State warehouse or, subject to the laws of other jurisdictions, to private or public agencies or establishments of other states or nations."

ESTABLISH CATAWBA INDIAN NATION TRIBAL ALCOHOLIC BEVERAGE CONTROL COMMISSION

SECTION 22.(a) G.S. 18B-109(b) reads as rewritten:

"(b) Armed Forces Installation and Indian Country Lands. – No person shall have malt beverages or unfortified wine shipped directly from a point outside this State ~~to~~ to: (i) an installation of the Armed Forces of the United States within this State if those alcoholic beverages are for resale on the ~~installation or to installation~~; (ii) the Eastern Band of Cherokee Indians for resale on Indian Country lands within this State under the jurisdiction of the Eastern Band of Cherokee Indians; or (iii) the Catawba Indian Nation for resale on Indian Country lands within this State under the jurisdiction of the Catawba Indian Nation."

SECTION 22.(b) G.S. 18B-112, as amended by Section 3(b) of this act, reads as rewritten:

"§ 18B-112. Tribal alcoholic beverage control.

(a) Application of This Chapter. – The Eastern Band of Cherokee Indians, a federally recognized Indian tribe and sovereign nation, and the Catawba Indian Nation, a federally recognized Indian tribe and sovereign nation, shall be exempt from the provisions of this Chapter, except for those made applicable by this section. The Eastern Band of Cherokee Indians ~~tribe and the Catawba Indian Nation~~ shall adopt by ordinance the provisions of this Chapter which are made applicable to ~~the each~~ tribe by this section, and such ordinance shall be approved by the Secretary of the United States Department of the Interior and published in the Federal Register accordingly. ~~The Eastern Band of Cherokee Indians~~ Each tribe shall hold lawful tribal elections as set out in G.S. 18B-600(a), and if the result of such election authorizes the activity upon which a vote was held, the activity shall be deemed authorized by this section. For the purposes of this section, the tribal alcoholic beverage control commission shall possess the same powers and authority conveyed upon the North Carolina Alcoholic Beverage Control Commission by any section of this Chapter made applicable to the tribe by this section.

(b) Compliance Required. – The Eastern Band of Cherokee Indians and the Catawba Indian Nation shall comply with the following provisions of this Chapter to the extent they apply to or can be made applicable to ~~the each~~ tribe:

...

(8) Article 11. – Commercial Activity, as clarified by the following:

- a. The tribal alcoholic beverage control commission may issue commercial activity permits to any qualifying applicant that establishes a commercial business wholly on Indian Country lands and shall have sole enforcement authority over any permittee receiving a permit from the tribal alcoholic beverage control commission only to the extent the regulated conduct occurs on Indian Country lands.
- b. The Eastern Band of Cherokee Indians and the Catawba Indian Nation shall recognize any permit issued by the North Carolina Alcoholic Beverage Control Commission allowing commercial activity in the same manner as if such permit was issued by the tribal alcoholic beverage control commission. The North Carolina Alcoholic Beverage Control Commission shall recognize any commercial activity permit issued by the tribal alcoholic beverage commission in the same manner as if the permit were issued by the North Carolina Alcoholic Beverage Control Commission.
- c. The North Carolina Alcoholic Beverage Control Commission shall retain exclusive enforcement authority over all permits it issues to commercial activity permittees for violations of its rules or this Chapter.

Any provision of Articles 12 and 13 of this Chapter which has not been made applicable to the Eastern Band of Cherokee Indians and the Catawba Indian Nation by this section shall act as a bar to engaging in any activity authorized by that Article or section.

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

...

(c) Alcoholic Beverages Which May Be Sold. – No alcoholic beverage may be sold on Indian Country lands under the jurisdiction of the Eastern Band of Cherokee Indians or the Catawba Indian Nation pursuant to this section which has not been approved for sale in this State by the North Carolina Alcoholic Beverage Control Commission.

(d) Establishment of ~~a Tribal Commission~~ Commissions. – In accordance with the provisions of 18 U.S.C. § 1161, the Eastern Band of Cherokee Indians ~~is~~ and the Catawba Indian Nation are each authorized to establish a tribal alcoholic beverage control commission to regulate the purchase, possession, consumption, sale, and delivery of alcoholic beverages on any land designated as Indian Country pursuant to 18 U.S.C. § 1151 under the jurisdiction of the Eastern Band of Cherokee Indians. ~~The~~ Each tribal commission shall have exclusive authority to issue ABC permits to retail and commercial establishments located wholly on Indian Country lands under the jurisdiction of the ~~Eastern Band of Cherokee Indians tribe~~ and to regulate the purchase, possession, consumption, sale, and delivery of alcoholic beverages at permitted outlets and premises. Permits issued by the tribal commission pursuant to this section shall be deemed issued by the State for the purposes of sales and delivery of beer and wine by wholesalers to the retail outlets located on Indian Country lands. The fees generated by the tribal alcoholic beverage control commission for the issuance of retail permits may be retained by ~~the Eastern Band of Cherokee Indians~~ each tribe to offset costs of operating the tribal alcoholic beverage control commission.

...

(g) Discrimination. – The tribal alcoholic beverage control commission shall not discriminate against non-Indians in the application of the tribal ABC law. Non-Indians shall be entitled to apply for and receive ABC permits in the same manner as an Indian on Indian Country lands under the jurisdiction of ~~the Eastern Band of Cherokee Indians~~ each tribe.

(h) Resolution of Contested Cases. – If the tribal alcoholic beverage control commission levies a fine or suspends or revokes a permit pursuant to the provisions of G.S. 18B-104 for a violation of the provisions applicable to the Eastern Band of Cherokee Indians and the Catawba Indian Nation in this section, the permittee shall have the right of appeal of an agency final decision of the tribal commission to the tribal courts. Any further appeal shall be to the appellate courts of the tribe. All fines paid to the tribal commission in satisfaction of any penalty assessed by the tribal commission may be retained by the ~~Eastern Band of Cherokee Indians tribe~~ to offset costs of operating the tribal alcoholic beverage control commission.

(i) Failure to Comply With Laws of This State. – If the Eastern Band of Cherokee Indians or Catawba Indian Nation fails to adopt the provisions of this Chapter, made applicable to the tribe by this section, by ordinance; fails to amend tribal ordinances to comply with amendments to the provisions of this Chapter, made applicable to the tribe by this section, within six months of passage of such amendments; or fails to comply with the provisions of this Chapter, made applicable to the tribe by this section, as required by 18 U.S.C. § 1161, the North Carolina Alcoholic Beverage Control Commission is authorized to terminate and prohibit future delivery of any alcoholic beverages from any person to the tribal alcoholic beverage control commission until the ~~Eastern Band of Cherokee Indians tribe~~ complies with the provisions of this Chapter made applicable to the tribe by this section and 18 U.S.C. § 1161.

(j) Conflict of Laws. – If any provision of this section or its application conflicts with federal law, the conflict of laws shall be resolved in favor of the federal law unless compliance with the federal law abrogates a right reserved to the State under the Constitution of the United States."

SECTION 22.(c) G.S. 18B-203(a)(17) reads as rewritten:

"(17) Provide for the distribution of spirituous liquor ~~to~~ to: (i) installations of the Armed Forces of the United States within this State for resale on the installation and to installation; (ii) the Eastern Band of Cherokee Indians for resale on Indian Country lands within this State under the jurisdiction of the Eastern Band of Cherokee Indians-Indians; and (iii) to the Catawba Indian Nation for resale on Indian Country lands within the State under the jurisdiction of the Catawba Indian Nation."

CAP THE TAX ON QUALIFYING SPIRITUOUS LIQUOR PURCHASES

SECTION 23.(a) G.S. 105-164.27A is amended by adding a new subsection to read:

"(a4) Qualifying Spirituous Liquor. – A person who purchases qualifying spirituous liquor may apply to the Secretary for a direct pay permit for the purchase of qualifying spirituous liquor. A direct pay permit issued under this subsection authorizes its holder to purchase qualifying spirituous liquor without paying tax to the seller and authorizes the seller to not collect any tax on the qualifying spirituous liquor from the permit holder. A person who purchases qualifying spirituous liquor under a direct pay permit must file a return and pay the tax due to the Secretary in accordance with G.S. 105-164.16. A direct pay permit issued for qualifying spirituous liquor does not apply to any purchase other than the purchase of qualifying spirituous liquor. The maximum use tax on qualifying spirituous liquor is one thousand dollars (\$1,000). For purposes of this subsection, "qualifying spirituous liquor" is a single container of spirituous liquor, as defined in G.S. 18B-101, the purchase price of which is equal to or greater than fifty thousand dollars (\$50,000).

In lieu of selling under a direct pay permit pursuant to this subsection, a seller may voluntarily elect to collect and remit the maximum tax on qualifying spirituous liquor on behalf of the purchaser. Where the seller elects to collect and remit the maximum tax, an invoice given to the purchaser bearing the proper amount of tax on a retail transaction extinguishes the purchaser's liability for the tax on the transaction."

SECTION 23.(b) G.S. 105-113.81 reads as rewritten:

"§ 105-113.81. Exemptions.

...

(f) Luxury Liquor. – A distillery is not required to remit excise taxes on spirituous liquor for which the purchase price for a single container is equal to or greater than fifty thousand dollars (\$50,000). However, the purchaser must remit use tax in accordance with G.S. 105-164.27A(a4)."

SECTION 23.(c) This section is effective January 1, 2025, and applies to purchases occurring on or after that date.

DIRECT ABC COMMISSION TO EXPAND PREMISES TO COVER CERTAIN CONTIGUOUS PROPERTIES

SECTION 24. G.S. 18B-1006 is amended by adding a new subsection to read:

"(s) The Commission shall treat as a single premises two or more contiguous parcels with different addresses if the parcels meet all of the following conditions:

- (1) Each parcel is connected to one or more other parcels such that the parcels share a single perimeter.
- (2) The parcels are under common ownership or control, as evidenced by deed, lease, or management agreement.

- (3) Access between the buildings on the parcels is available to customers without requiring customers to enter the public street or sidewalk."

AUTHORIZE HOME MAKER ORGANIZATIONS TO GIVE SAMPLES AT EVENTS

SECTION 25.(a) G.S. 18B-306 reads as rewritten:

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

(a) Authority. – An individual may make, possess, and transport wines and malt beverages for the individual's own use, the use of the individual's family and guests, ~~or the use at organized affairs, exhibitions, or competitions.~~ competitions, or use at home maker special events pursuant to G.S. 18B-1114.8. For purposes of this section, the term "organized affairs, exhibitions, or competitions" includes ~~homemaker's~~ home maker's contests, tastings, and judgments.

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

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

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

SECTION 25.(b) G.S. 18B-902(d) is amended by adding a new subdivision to read:

"(56) Home maker special event permit – \$50.00."

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

"§ 18B-1114.8. Home maker special event permit.

(a) Definitions. – For purposes of this section, the following definitions apply:

(1) Homemade product. – A malt beverage or wine produced pursuant to G.S. 18B-306.

(2) Home maker club. – An organization devoted to malt beverages and wine produced pursuant to G.S. 18B-306 that:

a. Has a defined membership with a stated common purpose.

b. Has a written policy for granting membership that includes a written application submitted by each member, both of which may be produced or maintained electronically.

c. Maintains a list of all active members and their addresses that is present at all organized affairs of the club and is open to inspection by alcohol law-enforcement agents upon request.

d. Holds a general liability insurance policy in the amount of at least one million dollars (\$1,000,000). This requirement may be satisfied by either an annual policy or a policy for a specific special event.

(b) A home maker club may obtain a home maker special event permit allowing the permittee to give free tastings of homemade malt beverages and wines on the premises of retail ABC permittees and at shopping malls, or at trade shows, conventions, street festivals, holiday festivals, agricultural festivals, balloon races, farmers markets, local fundraisers, and other similar events approved by the Commission. The permit shall be issued in the name of the home maker club.

(c) Limitations on Consumer Tastings. – Any consumer tasting conducted pursuant to this section is subject to the following limitations:

(1) Members of the permitted home maker club shall conduct the consumer tasting and the permit holder shall be solely responsible for any violations of this Chapter occurring in connection with the consumer tasting.

(2) At an event occurring on the premises of a retail ABC permittee, no homemade products may be removed from or consumed outside of the retail permittee's premises. The home maker club shall obtain written authorization

to conduct the consumer tasting at least 24 hours prior to conducting the consumer tasting.

- (3) At an event occurring at a trade show, convention, street festival, holiday festival, agricultural festival, balloon race, farmers market, local fundraiser, or other similar event approved by the Commission, no homemade products may be removed from or consumed outside of a clearly marked and defined area where consumption of homemade products is authorized.
- (4) The permit holder shall provide to the Commission in advance of any consumer tasting a list of homemade products offered at the consumer tastings at least 24 hours before the start of the consumer tasting event. For a consumer tasting occurring on the premises of a retail ABC permittee, the permit holder shall also provide this list to the permittee.
- (5) Homemade products shall be labeled with a label stating the maker's name and telephone number, the alcohol content by volume, and the statement "Homemade product for consumer tasting."
- (6) Members of the permitted home maker club shall not offer tasting samples to, or allow consumption of tasting samples by, any consumer who is visibly intoxicated.
- (7) Members of the permitted home maker club shall not offer tasting samples to, or allow consumption of tasting samples by, any consumer under 21 years of age. The person pouring the homemade products shall be responsible for verifying the age of the consumer being served by checking the identification of the consumer.
- (8) Homemade products may be stored on permitted premises for no more than 48 hours prior to the consumer tasting. Homemade products shall be sealed while being stored on permitted premises and segregated from other commercial alcoholic beverages located on the premises. No homemade product shall remain on the premises for more than 24 hours after the conclusion of the consumer tasting.
- (9) Each consumer shall be limited to six tasting samples containing 1 ounce of any homemade product made available for sampling at the consumer tasting, and the total amount of the tasting samples offered to and consumed by each consumer shall not exceed 6 ounces in any calendar day.
- (10) The permit holder or members of the permitted home maker club shall not charge a consumer for any tasting sample or for entry to the consumer tasting.
- (11) The permit holder shall maintain for a period of at least one year a record of each consumer tasting conducted. The record shall include the date of the consumer tasting, the time of the consumer tasting, an identification of the venue at which the consumer tasting was held, an identification of the homemade products that were provided for tasting at the consumer tasting, and the name of any person who poured homemade products at the consumer tasting. The permit holder shall allow the ABC Commission to inspect those records at any time.
- (12) Each consumer participating in a consumer tasting shall be required to provide his or her name, telephone number, email address, and the date of the consumer tasting."

SECTION 25.(d) This section becomes effective October 1, 2024.

ALLOW PRIVATE CLUB FRANCHISES TO RECEIVE ABC PERMITS IMMEDIATELY IF FRANCHISOR HAS BEEN IN OPERATION FOR AT LEAST 12 MONTHS

SECTION 26.(a) G.S. 18B-1000(5) reads as rewritten:

"(5) Private club. – An establishment that qualifies under Section 501(c) of the Internal Revenue Code, as amended, 26 U.S.C. § 501(c), and that has been in operation for a minimum of 12 months prior to application for an ABC permit. Provided, however, an establishment that (i) qualifies under Section 501(c) of the Internal Revenue Code, and (ii) is a franchisee of a franchisor that is permitted as a private club and has been in operation for a minimum of 12 months, shall not be required to have been in operation for a minimum of 12 months prior to application for an ABC permit."

SECTION 26.(b) This section is effective when it becomes law and applies to applications for permits received by the Commission on or after that date.

COMMON AREA ENTERTAINMENT PERMIT CLARIFYING CHANGE

SECTION 27. G.S. 18B-1001.5(d) reads as rewritten:

"(d) Designation of Areas Allowed for Consumption. – The owner or property owners' association of a multi-tenant establishment that holds a common area entertainment permit shall designate one or more areas as designated consumption areas. A designated consumption area may include the premises of any business that is open to customers, if the business chooses to allow outside alcoholic beverages on its premises during the days and hours set by the owner or property owners' association of the multi-tenant establishment pursuant to subsection (e) of this section. A permittee may be included in the designated consumption area even if it chooses to exclude open containers of alcoholic beverages purchased from other permittees. A designated consumption area may include privately maintained streets, parking spaces on privately maintained streets, sidewalks, and courtyards. Privately maintained streets and parking areas may be open to vehicular traffic during the dates and times when the designated consumption area is active. The boundaries of a designated consumption area must be marked in a way that clearly indicates to customers where the boundaries of the designated consumption area are located, such as with conspicuous signage, in the discretion of the owner or property owners' association. Vertical delineated boundaries shall not be required to indicate the boundaries of a designated consumption area. The owner or property owners' association of the multi-tenant establishment shall submit to the Commission for review and approval (i) a plat or site map of the multi-tenant establishment property with the designated consumption areas clearly marked or (ii) a detailed map of the relevant building or buildings on the multi-tenant establishment property with the designated consumption area clearly marked. The Commission shall reject any plat or map submitted under this subsection that does not meet the requirements of this section. The owner or property owners' association of the multi-tenant establishment shall submit a plat or map as required under this subsection for each renewal of the permit issued under this section and at least 10 days prior to making any adjustments to a designated consumption area. Only one common area entertainment permit shall be required at a multi-tenant establishment regardless of how many common areas are designated by the multi-tenant establishment as designated consumption areas, and all indoor and outdoor common areas designated by the multi-tenant establishment as designated consumption areas shall be covered by that permit. If there are adjacent indoor and outdoor common areas designated by the multi-tenant establishment as designated consumption areas, they shall be deemed one single designated consumption area such that a customer of an ABC permittee located in the multi-tenant establishment may transition from the indoor common area to the adjacent outdoor common area or from the outdoor common area to the adjacent indoor common area without disposing of the customer's alcoholic beverage."

ALLOW 90 DAYS FOR ALCOHOL SELLER/SERVER TRAINING PROVIDERS TO UPDATE COURSES

SECTION 28.(a) Definitions. – For purposes of this section, "Alcohol Seller/Server Training Rule" means 14B NCAC 15B .0113(e) (Alcohol Seller/Server Training).

SECTION 28.(b) Alcohol Seller/Server Training Rule. – Until the effective date of the revised permanent rule that the Alcoholic Beverage Control Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Alcohol Seller/Server Training Rule as provided in subsection (c) of this section.

SECTION 28.(c) Implementation. – An approved course provider shall update their responsible alcohol seller/server training course content within 90 days of notice from the Commission to the course provider of changes needed in the alcohol education training curriculum to reflect changes in current ABC laws or rules.

SECTION 28.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Alcohol Seller/Server Training Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 28.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

ALLOW SALE OF BEER AND WINE AT COMMUNITY COLLEGE SPORTING EVENTS

SECTION 29. G.S. 18B-1006(a) reads as rewritten:

"(a) School and College Campuses. – No permit for the sale of alcoholic beverages shall be issued to a business on the campus or property of a public school, college, or university. This subsection shall not apply to the following:

...

- (10) A stadium, athletic facility, or arena on the campus or property of a public college or university, if the Board of Trustees of the public college or university has voted to allow the issuance of permits for use at that stadium, athletic facility, or arena. If a Board of Trustees votes to allow the issuance of permits in accordance with this subdivision, the Board of Trustees shall provide written notice to the Commission that it has voted to allow the issuance of permits. ~~For purposes of this subdivision, the term "public college or university" does not include a community college.~~ Any permit described in G.S. 18B-1001, 18B-1002(a)(2), or 18B-1002(a)(5) may be issued pursuant to this subdivision to applicants meeting the requirements for the requested permit. Notwithstanding the issuance of a mixed beverages permit pursuant to G.S. 18B-1001(10), this subdivision does not authorize the sale of mixed beverages when the stadium, athletic facility, or arena is being used for a sports event sponsored by the public college or university. This subdivision does not apply to any sales authorized under subdivisions (1) through (8) of this subsection. For purposes of this subdivision, the premises of a stadium, athletic facility, or arena shall include any area that meets all of the following requirements:

- a. Is within 500 feet of the furthest exterior building wall, perimeter fence, or permanent fixed perimeter.
- b. Is designated by the stadium, athletic facility, or arena in a map or written description that clearly defines the boundary of the area, and that map or written description is included in the permit application.

- c. Can be designated in a manner that enables the stadium, athletic facility, or arena to ensure compliance with the provisions of this Chapter.
- (11) ~~Notwithstanding subdivision (10) of this subsection, the sale of malt beverages, unfortified wine, fortified wine, or mixed beverages for consumption on the premises at a professional sporting event held at a stadium owned by a community college that is located in a township that has previously voted to allow the operation of ABC stores, if the Board of Trustees of the community college has voted to allow the issuance of permits for use at the stadium. If a Board of Trustees votes to allow the issuance of permits in accordance with this subdivision, the Board of Trustees shall provide written notice to the Commission that it has voted to allow the issuance of permits. Any permit described in G.S. 18B-1001, 18B-1002(a)(2), or 18B-1002(a)(5) may be issued pursuant to this subdivision to applicants meeting the requirements for the requested permit. For purposes of this subdivision, the premises of a stadium shall include any area that meets all of the following requirements:~~
- a. ~~Is within 500 feet of the furthest exterior building wall, perimeter fence, or permanent fixed perimeter.~~
 - b. ~~Is designated by the stadium in a map or written description that clearly defines the boundary of the area, and that map or written description is included in the permit application.~~
 - c. ~~Can be designated in a manner that enables the stadium to ensure compliance with the provisions of this Chapter."~~

ALLOW A LOCAL BOARD TO CONTRACT WITH A THIRD-PARTY VENDOR TO TRANSPORT SPIRITUOUS LIQUOR FROM THE BOARD'S WAREHOUSE TO THE BOARD'S ABC STORES

SECTION 30.(a) G.S. 18B-701 reads as rewritten:

"§ 18B-701. Powers and duties of local ABC boards.

- (a) Powers. – A local board shall have authority to do all of the following:
 - (1) Buy, sell, transport, and possess alcoholic beverages as necessary for the operation of its ABC stores. In providing delivery of spirituous liquor to a mixed beverages permittee, as required by G.S. 18B-404(f), the local board may use its employees or contract with one or more independent contractors and may charge a fee to the permittee. A mixed beverage permittee may contract with an independent contractor to provide delivery of spirituous liquor from an ABC board's store or warehouse to the permittee's premises.
 - (1a) Contract with an independent contractor to provide delivery of its spirituous liquor from the local board's warehouse to the local board's ABC stores, provided all of the following conditions are met:
 - a. The local board enters into a written contract with the independent contractor.
 - b. The independent contractor furnishes proof to the local board that the independent contractor is a contract carrier with a surety bond in compliance with G.S. 18B-1115(d) and (e).
 - c. The contract may be terminated at will by either party without cause.
 - d. The independent contractor maintains in force an indemnity and fidelity insurance policy with the local board named as an additional insured in an amount sufficient to insure the value of the alcoholic

beverages to be transported and delivered by the independent contractor on the behalf of the local board.

e. The independent contractor contractually assumes liability for any damage, breakage, or theft of the spirituous liquor to be delivered from the time possession is taken by the independent contractor from the local board until delivery of the spirituous liquor to the ABC store is acknowledged in writing by the manager or an employee of that ABC store.

- (2) Adopt rules for its ABC system, subject to the approval of the Commission.
- (3) Hire and fire employees for the ABC system.
- (4) Designate one employee as manager of the ABC system and determine his responsibilities.
- (5) Require bonds of employees as provided in the rules of the Commission.
- (6) Operate ABC stores as provided in Article 8.
- (7) Repealed by Session Laws 2022-44, s. 3(m), effective July 7, 2022.
- (8) Employ local ABC officers or make other provision for enforcement of ABC laws as provided in Article 5.
- (9) Borrow money as provided in G.S. 18B-702.
- (10) Buy and lease real and personal property, and receive property devised or given, as necessary for the operation of the ABC system.
- (11) Invest surplus funds as provided in G.S. 18B-702.
- (12) Dispose of property in the same manner as a city council may under Article 12 of Chapter 160A of the General Statutes.
- (13) Perform any other activity authorized or required by the ABC law.

(b) Duties. – A local board shall have the duty to comply with all rules adopted by the Commission pursuant to this Chapter and meet all standards for performance and training established by the Commission pursuant to G.S. 18B-203(a)(20) and (21). Failure to comply with Commission rules shall be cause for removal.

(c) Definitions. – For purposes of this section, the term "contract carrier" means a person who provides transportation of goods, but not individuals, for compensation under contractual agreement(s), over regular or irregular routes, for a specific person or group of persons."

SECTION 30.(b) The ABC Commission shall amend its rules to replace the term "motor vehicle carrier" as used in 14B NCAC 15A .1903 for the delivery of mixed beverage permittee orders with the term "contract carrier." The Commission may further define by rule the term "contract carrier" as used in G.S. 18B-701(a)(1a), as enacted by subsection (a) of this section.

ALLOW POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES IN THE SECURITY-SCREENED AREA OF AIRPORTS

SECTION 31. Article 3 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-300.3. Possession and consumption of alcoholic beverages in the security-screened area of airports.

(a) During the hours of airport operation, any establishment permitted under subdivision (1), (3), (5), or (10) of G.S. 18B-1000 and operating in the Transportation Security Administration-screened portion of an airport may, with the written approval of the airport authority, sell the alcoholic beverages it is permitted to sell for consumption throughout the Transportation Security Administration-screened portion of the establishment's respective airport terminal.

(b) An alcoholic beverage served for consumption throughout an establishment's airport terminal shall be served in a container that meets all of the following requirements:

- (1) The container is not comprised of glass.
- (2) The container displays, in no less than 12-point font, the statement, "Drink Responsibly – Be 21."
- (3) The container shall not hold more than 16 fluid ounces.

(c) A customer may purchase and consume alcoholic beverages throughout the interior of the Transportation Security Administration-screened portion of the respective airport terminal, provided that the purchase is from an approved establishment permitted under subdivision (1), (3), (5), or (10) of G.S. 18B-1000.

(d) This section applies only to airports that service airplanes boarding at least 150,000 passengers annually."

MODIFY TRADE PRACTICE LAWS

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

"§ 18B-1116. Exclusive outlets prohibited.

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

- (1) Require that an alcoholic beverage retailer purchase any alcoholic beverages from that person to the full or partial exclusion of any other alcoholic beverages offered for sale by other persons in this ~~State; or~~ State.
- (2) Have any direct or indirect financial interest in the business of any alcoholic beverage retailer in this State or in the premises where the business of any alcoholic beverage retailer in this State is ~~conducted; or~~ conducted.
- (3) Lend or give to any alcoholic beverage retailer in this State or ~~his~~ the retailer's employee or to the owner of the premises where the business of any alcoholic beverage retailer in this State is conducted, any money, service, equipment, furniture, fixtures or any other thing of value.
- (4) Provide draft line cleaning services to an alcoholic beverage retailer unless the retailer pays the fair market value for such services.

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

A distillery is not subject to the provisions of this section concerning financial interests in, and lending or giving things of value to, a retailer with respect to the distillery's transactions with the retail business allowed on its premises under G.S. 18B-1105(a)(4). The distillery is subject to the provisions of this subsection, however, with respect to its transactions with all other retailers.

(b) Exemptions. – The Commission may grant exemptions from the provisions of this section. Any exemption entered by the Commission in which any brewery or any officer, director, or affiliate of the brewery has a direct or indirect financial interest in the business of any retailer beyond the number of additional retail locations authorized by G.S. 18B-1104 shall prohibit the brewery's malt beverages from being sold to or purchased by that retailer. In determining whether to grant an exemption, the Commission shall consider the public welfare, the quantity and value of articles involved, established trade customs not contrary to the public interest, and the purposes of this section.

(c) As used in this section, the phrase "giving things of value" shall not include the dividing or removing of individual containers of alcohol from larger packages of alcohol or the delivery of such to the retail permittee."

SECTION 32.(b) This section becomes effective January 1, 2025.

AMEND THE DEFINITION OF "SPORTS CLUB" TO INCLUDE PICKLEBALL

SECTION 33. G.S. 18B-1000(8) reads as rewritten:

"(8) Sports club. – An establishment that meets either of the following requirements:

- a. The establishment is substantially engaged in the business of providing equine boarding, training, and coaching services, and the establishment offers on-site dining, lodging, and meeting facilities and hosts horse trials and other events sanctioned or endorsed by the United States Equestrian Federation, Inc.; or
- b. The establishment is substantially engaged in the business of providing ~~an 18-hole golf course, two or more tennis courts, or both~~ any of the following:
 1. An 18-hole golf course.
 2. Two or more tennis courts.
 3. Four or more pickleball courts.

The sports club can either be open to the general public or to members and their guests. To qualify as a sports club, an establishment's gross receipts for club activities shall be greater than its gross receipts for alcoholic beverages. The premises of a sports club substantially engaged in the business of providing an 18-hole golf course shall include the parking lot and the playing area of the golf course, including the teeing areas, greens, fairways, roughs, hazards, and cart paths. This provision does not prohibit a sports club from operating a restaurant. Receipts for food shall be included in with the club activity fee."

PERMANENTLY ALLOW FIFTEEN YEAR OLDS TO WORK IN ABC-PERMITTED ESTABLISHMENTS

SECTION 34. G.S. 95-25.5(j) reads as rewritten:

"(j) No person who holds any ABC permit issued pursuant to the provisions of Chapter 18B of the General Statutes for the on-premises sale or consumption of alcoholic beverages, including any mixed beverages, shall employ a youth:

- (1) Under ~~16-15~~ years of age on the premises for any purpose, unless the youth is at least 14 years of age and each of the following conditions is met:
 - a. The person obtains the written consent of a parent or guardian of the youth.
 - b. The youth is employed to work on the outside grounds of the premises for a purpose that does not involve the preparation, serving, dispensing, or sale of alcoholic beverages.
- (2) Under 18 years of age to prepare, serve, dispense or sell any alcoholic beverages, including mixed beverages, except for sale of alcoholic beverages at the point-of-sale for only off-premises consumption."

CLARIFY DUE DATE OF RETURNS/TAX AND CLARIFY WHEN EXCISE TAXES FOR ALCOHOLIC BEVERAGES MUST BE PAID

SECTION 35. G.S. 105-113.83 reads as rewritten:

"§ 105-113.83. Payment and reporting of excise taxes.

(a) Filing Periods. – The excise tax imposed by this Article is payable when a report is due. A report is due annually or monthly, as specified in this section, and must be filed regardless of whether alcoholic beverages were sold or otherwise disposed of in this State. A report covers

liabilities that accrue in the reporting period. Liabilities accrue in the reporting period in which the alcoholic beverage is first sold or otherwise disposed of in this State. A return must be in the form prescribed by, and contain information required by, the Secretary.

(a1) Liquor. – The excise tax on liquor levied under G.S. 105-113.80(c) is payable monthly by the local ABC board and by a ~~distillery permittee to the Secretary. The tax shall be paid-distillery.~~ The local ABC board and distillery must file a monthly report, and the report is due on or before the ~~15th-fifteenth~~ day of the month following the month ~~in which the tax was collected-covered~~ by the report.

(b) Malt Beverage and Wine. – The excise taxes on malt beverages and wine levied under G.S. 105-113.80(a) and (b), respectively, are payable ~~to the Secretary~~ by the resident wholesaler or importer who first handles the beverages in this State. The taxes on malt beverages and wine are payable only once on the same beverages. ~~Unless otherwise provided, the tax is-~~ The wholesaler or importer must file a monthly report, and the report is due on or before the 15th fifteenth day of the month following the month in which the beverage is first sold or otherwise disposed of in this State by the wholesaler or importer. When excise taxes are paid on wine or malt beverages, the wholesaler or importer must submit to the Secretary verified reports on forms provided by the Secretary detailing covered by the report. The report must include the sales records for the month for which the taxes are paid. The report must paid, indicate the amount of excise tax due, contain the information required by the Secretary, and indicate separately any transactions to which the excise tax does not apply.

(b1) Brewery and Winery Option. – A brewery or winery may be relieved of paying the tax levied under G.S. 105-113.80(a) and (b) if all of the following apply:

- (1) The brewery or winery holds a permit issued under G.S. 18B-1101, 18B-1102, or 18B-1104.
- (2) The brewery or winery transfers malt beverages or wine to a wholesaler permitted under G.S. 18B-1107 or G.S. 18B-1109.
- (3) The wholesaler agrees in writing to be responsible for the tax due on the transferred malt beverages or ~~wine-wine~~ and provides the Secretary a copy of the agreement upon request.
- (4) The brewery or winery files a monthly report ~~when the tax would otherwise be due-reporting~~ the transfer of malt beverages or wine to the wholesaler.

(b2) Backup Tax Liability. – If a brewery or winery is relieved of paying the excise tax as provided under subsection (b1) of this section, the wholesaler receiving the malt beverages or wine is liable for any tax due under this section.

(b3) Wine Shipper Permittee. – A wine shipper permittee must pay the excise tax levied under G.S. 105-113.80(b) on wine shipped directly to consumers in this State pursuant to G.S. 18B-1001.1. A wine shipper permittee must submit-verified-file reports once a year ~~on forms provided by the Secretary~~ detailing sales records for the year taxes are paid. The ~~verified-report~~ is due on or before the fifteenth day of the first month of the following calendar year.

(c) Railroad Sales. – Each person operating a railroad train in this State on which alcoholic beverages are sold must submit-file monthly reports of the amount of alcoholic beverages sold in this State ~~and must remit the applicable excise tax due on the sale of these beverages when the report is submitted-State.~~ The report is due on or before the ~~15th-fifteenth~~ day of the month following the month ~~in which the beverages are sold. The report must be made on a form prescribed by the Secretary-covered by the report."~~

CIGAR BAR AMENDMENTS

SECTION 36.(a) G.S. 18B-901 reads as rewritten:

"§ 18B-901. Issuance of permits.

...

(c) **Factors in Issuing Permit.** – Before issuing a permit, the Commission shall be satisfied that the applicant is a suitable person to hold an ABC permit and that the location is a suitable place to hold the permit for which the applicant has applied. To be a suitable place, the local governing body shall return a Zoning and Compliance Form to the Commission on a form provided by the Commission to show the establishment is in compliance with all applicable building and fire codes and, if applicable, has been notified that it is located in an Urban Redevelopment Area as defined by Article 22 of Chapter 160A of the General Statutes and as required by G.S. 18B-904(e)(2). Other factors the Commission shall consider in determining whether the applicant and the business location are suitable are all of the following:

- (1) The reputation, character, and criminal record of the applicant.
- (2) through (5) Repealed by Session Laws 2019-49, s. 3, effective June 26, 2019.
- (6) Zoning laws, the number of places already holding ABC permits within the neighborhood, parking facilities and traffic conditions in the neighborhood, types of businesses already in the neighborhood, and whether the establishment is located within 50 feet of a church, public school, or any nonpublic school as defined in Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes.
- (7) The recommendations of the local governing body.
- (8) Any other evidence that would tend to show whether the applicant would comply with the ABC laws.
- (9) Whether the operation of the applicant's business at that location would be detrimental to the neighborhood, including evidence admissible under G.S. 150B-29(a) of any of the following:
 - a. Past revocations, suspensions, and violations of ABC laws by prior permittees related to or associated with the applicant, or a business with which the applicant is associated, within the immediate preceding 12-month period at this location.
 - b. Evidence of illegal drug activity on or about the licensed premises.
 - c. Evidence of fighting, disorderly conduct, and other dangerous activities on or about the licensed premises.

(c1) **Limitation on Commission's Discretion.** – The Commission's discretion whether to issue a permit to a cigar bar is limited to the factors in this Chapter. The Commission shall not consider whether the cigar bar may allow smoking indoors pursuant to G.S. 130A-496 in deciding whether to issue the cigar bar a permit.

(d) **Commission's Authority.** – The Commission shall have the sole power, in its discretion, to determine the suitability and qualifications of an applicant for a permit. The Commission shall also have the authority to determine the suitability of the location to which the permit may be issued."

SECTION 36.(b) G.S. 130A-496 reads as rewritten:

"§ 130A-496. Smoking prohibited in restaurants and bars.

(a) Notwithstanding Article 64 of Chapter 143 of the General Statutes, smoking is prohibited in all enclosed areas of restaurants and bars, except as provided in subsection (b) of this section.

(b) Smoking may be permitted in the following places:

- (1) A designated smoking guest room in a lodging establishment. No greater than twenty percent (20%) of a lodging establishment's guest rooms may be designated smoking guest rooms.
- (2) A cigar bar if smoke from the cigar bar does not migrate into an enclosed area where smoking is prohibited pursuant to this Article. A cigar bar that begins operation after July 1, 2009, and that serves prepared food, may only allow smoking if it is located in a freestanding structure occupied solely by the cigar

bar and smoke from the cigar bar does not migrate into an enclosed area where smoking is prohibited pursuant to this Article. A cigar bar that does not serve prepared food, as defined in G.S. 105-164.4L, shall not be required to be located in a freestanding structure occupied solely by the cigar bar, provided smoke from the cigar bar does not migrate into an enclosed area where smoking is prohibited pursuant to this Article, whether or not located in the same structure. To qualify under this subsection, the cigar bar must satisfactorily report on a quarterly basis to the Department, on a form prescribed by the Department, the revenue generated from the sale of alcoholic beverages and cigars as a percentage of quarterly gross revenue. The Department shall determine whether any additional documentation is required of the cigar bar to authenticate or verify revenue data submitted by the cigar bar. This subdivision shall not apply to any business that is established for the purpose of avoiding compliance with this Article.

(3) A private club."

SECTION 36.(c) G.S. 130A-498(b1) reads as rewritten:

"(b1) A local ordinance or other rules, laws, or policies adopted under this section may not restrict or prohibit smoking in the following places:

- (1) A private residence.
- (2) A private vehicle.
- (3) A tobacco shop if smoke from the business does not migrate into an enclosed area where smoking is prohibited pursuant to this Article. A tobacco shop that begins operation after July 1, 2009, may only allow smoking if it is located in a freestanding structure occupied solely by the tobacco shop and smoke from the shop does not migrate into an enclosed area where smoking is prohibited pursuant to this Article.
- (4) All of the premises, facilities, and vehicles owned, operated, or leased by any tobacco products processor or manufacturer, or any tobacco leaf grower, processor, or dealer.
- (5) A designated smoking guest room in a lodging establishment. No greater than twenty percent (20%) of a lodging establishment's guest rooms may be designated smoking guest rooms.
- (6) A cigar bar if smoke from the cigar bar does not migrate into an enclosed area where smoking is prohibited pursuant to this Article. A cigar bar that begins operation after July 1, 2009, may only allow smoking if it is located in a freestanding structure occupied solely by the cigar bar and smoke from the cigar bar does not migrate into an enclosed area where smoking is prohibited pursuant to this Article. A cigar bar that does not serve prepared food, as defined in G.S. 105-164.4L, shall not be required to be located in a freestanding structure occupied solely by the cigar bar, provided smoke from the cigar bar does not migrate into an enclosed area where smoking is prohibited pursuant to this Article, whether or not located in the same structure. To qualify under this subsection, the cigar bar must satisfactorily report on a quarterly basis to the Department, on a form prescribed by the Department, the revenue generated from the sale of alcoholic beverages and cigars as a percentage of quarterly gross revenue. The Department shall determine whether any additional documentation is required of the cigar bar to authenticate or verify revenue data submitted by the cigar bar. This subdivision shall not apply to any business that is established for the purpose of avoiding compliance with this Article.
- (7) A private club.

- (8) A motion picture, television, theater, or other live production set. This exemption applies only to the actor or performer portraying the use of tobacco products during the production."

ALLOW ATMS IN ABC STORES

SECTION 37.(a) G.S. 18B-701(a) reads as rewritten:

"(a) Powers. – A local board shall have authority to do all of the following:

- (1) Buy, sell, transport, and possess alcoholic beverages as necessary for the operation of its ABC stores. In providing delivery of spirituous liquor to a mixed beverages permittee, as required by G.S. 18B-404(f), the local board may use its employees or contract with one or more independent contractors and may charge a fee to the permittee. A mixed beverage permittee may contract with an independent contractor to provide delivery of spirituous liquor from an ABC board's store or warehouse to the permittee's premises.
- (2) Adopt rules for its ABC system, subject to the approval of the Commission.
- (3) Hire and fire employees for the ABC system.
- (4) Designate one employee as manager of the ABC system and determine his responsibilities.
- (5) Require bonds of employees as provided in the rules of the Commission.
- (6) Operate ABC stores as provided in Article 8.
- (6a) Contract with a third party to make an ATM available in one or more ABC stores operated by the board.
- (7) Repealed by Session Laws 2022-44, s. 3(m), effective July 7, 2022.
- (8) Employ local ABC officers or make other provision for enforcement of ABC laws as provided in Article 5.
- (9) Borrow money as provided in G.S. 18B-702.
- (10) Buy and lease real and personal property, and receive property devised or given, as necessary for the operation of the ABC system.
- (11) Invest surplus funds as provided in G.S. 18B-702.
- (12) Dispose of property in the same manner as a city council may under Article 12 of Chapter 160A of the General Statutes.
- (13) Perform any other activity authorized or required by the ABC law."

SECTION 37.(b) G.S. 18B-800 is amended by adding a new subsection to read:

"(c5) ATM in Store. – ABC stores may make an ATM available to customers if approved by the local board."

SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 38.(a) If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application and, to this end, the provisions of this act are declared to be severable.

SECTION 38.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2024.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2024