Chapter 18B.

Regulation of Alcoholic Beverages.

Article 1.

General Provisions.

§ 18B-100. Purpose of Chapter.

This Chapter is intended to establish a uniform system of control over the sale, purchase, transportation, manufacture, consumption, and possession of alcoholic beverages in North Carolina, and to provide procedures to insure the proper administration of the ABC laws under a uniform system throughout the State. This Chapter shall be liberally construed to the end that the sale, purchase, transportation, manufacture, consumption, and possession of alcoholic beverages shall be prohibited except as authorized in this Chapter. If any provision of this Chapter, or its application to any person or circumstance, is determined by a court or other authority of competent jurisdiction to be invalid or unconstitutional, such provision shall be stricken and the remaining provisions shall be construed in accordance with the intent of the General Assembly to further limit rather than expand commerce in alcoholic beverages, and with respect to malt beverages, unfortified wine, and fortified wine, the remaining provisions shall be construed to enhance strict regulatory control over taxation, distribution, and sale of alcoholic beverages through the three-tier regulatory system and the franchise laws imposed by this Chapter.

Except as provided in this Chapter, local ordinances establishing different rules on the manufacture, sale, purchase, transportation, possession, consumption, or other use of alcoholic beverages, or requiring additional permits or fees, are prohibited. (1937, c. 49, s. 1; 1971, c. 872, s. 1; 1981, c. 412, s. 2; 2019-18, s. 1.)

§ 18B-101. Definitions.

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

(1) "ABC law" or "ABC laws" means any statute or statutes in this Chapter or in Article 2C of Chapter 105, and the rules issued by the Commission under the authority of this Chapter.

(2) "ABC permit" or "permits" means any written or printed authorization issued by the Commission pursuant to the provisions of this Chapter. Unless the context clearly requires otherwise, as in the provisions concerning applications for permits, "ABC permit" or "permit" means a presently valid permit.

(3) "ABC system" means a local board, all ABC stores operated by a local board, and the designated ABC law enforcement officers employed pursuant to G.S. 18B-501.

(4) "Alcoholic beverage" means any beverage containing at least one-half of one percent (0.5%) alcohol by volume, including malt beverages, unfortified wine, fortified wine, spirituous liquor, mixed beverages, and any alcohol consumable.

(4a) "Alcohol consumable" means any manufactured and packaged ice cream, ice pop, gum-based, or gelatin-based food product containing at least one-half of one percent (0.5%) alcohol by volume.

(5) "ALE Division" means the Alcohol Law Enforcement Division of the Department of Public Safety.

(5a) "Antique spirituous liquor" means spirituous liquor that has not been in production or bottled in the last 20 years, is in the original manufacturer's

unopened container, is not owned by a distillery, and is not otherwise available for purchase by an ABC Board except through the special order process pursuant to G.S. 18B-1001(20).

(5b) "Antique spirituous liquor seller" means a person who sells antique spirituous liquor to an ABC Board.

(5c) "Bailment surcharge" means the charge imposed on each case of liquor shipped from a Commission warehouse as provided in G.S. 18B-208. This bailment surcharge is in addition to the bailment charge imposed by G.S. 18B-804(b)(2).

(5d) "Brokerage" means a business that brokers the sale of spirituous liquor on behalf of the holder of a distillery permit issued under G.S. 18B-1105, a business located outside the State that is licensed or permitted to manufacture spirituous liquor in the jurisdiction where the business is located and whose products are lawfully sold in this State, or a liquor importer or bottler.

(6) "Commission" means the North Carolina Alcoholic Beverage Control Commission established under G.S. 18B-200.

(6a) "Finance officer" means the local board employee, other than a general manager, who is responsible for keeping the accounts of the local board, receiving and depositing receipts, disbursing funds, and any other duties assigned by the local board or Commission.

(7) "Fortified wine" means any wine or alcohol consumable containing more than sixteen percent (16%) and no more than twenty-four percent (24%) alcohol by volume, made by fermentation from grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or dextrose sugar; or by the addition of pure brandy from the same type of grape, fruit, berry, rice, or honey that is contained in the base wine and produced in accordance with the regulations of the United States.

(7a) "General manager" means the local board employee who is responsible for the oversight of daily operations of the ABC system and any other duties assigned by the local board or Commission. The board may designate only one employee to be the general manager.

(7b) "Historic ABC establishment" means a restaurant or hotel that meets all of the following requirements:

a. Is on the national register of historic places or located within a State historic district.

b. Is a property designed to attract local, State, national, and international tourists located on a State Route (SR) and with a property line located within 1.5 miles of the intersection of a designated North Carolina scenic byway as defined in G.S. 136-18(31).

c. Is located within 15 miles of a national scenic highway.

d. Is located in a county in which the on-premises sale of malt beverages or unfortified wine is authorized in two or more cities in the county.

(7c) "Keg" means a portable container designed to hold and dispense 7.75 gallons or more of malt beverage.

(8) "Local board" means a city or county ABC board, or local board created pursuant to the provisions of G.S. 18B-703. A local board is an independent local political subdivision of the State. Nothing in this Chapter shall be

construed as constituting a local board the agency of a city or county or of the Commission.

(8a) "Lottery law" or "lottery laws" means any provision of Chapter 18C of the General Statutes and the rules issued by the Lottery Commission under the authority of Chapter 18C of the General Statutes.

(9) "Malt beverage" means beer, lager, malt liquor, ale, porter, and any other brewed or fermented beverage or alcohol consumable except unfortified or fortified wine as defined by this Chapter, containing at least one-half of one percent (0.5%), and not more than fifteen percent (15%), alcohol by volume. Any malt beverage containing more than six percent (6%) alcohol by volume shall bear a label clearly indicating the alcohol content of the malt beverage.

(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 sold by a mixed beverages permittee, regardless of whether the premixed cocktail is sold in an open container or a closed container.

(11) "Nontaxpaid alcoholic beverage" means any alcoholic beverage upon which the taxes imposed by the United States, this State, or any other territorial jurisdiction in which the alcoholic beverage was purchased have not been paid.

(12) "Person" means an individual, firm, partnership, association, corporation, limited liability company, other organization or group, or other combination of individuals acting as a unit.

(12a) "Premises" means a fixed permanent establishment, including all areas inside or outside the licensed establishment, where the permittee has control through a lease, deed, or other legal process.

(12b) "Powdered alcohol" means any powder or crystalline substance capable of being converted into a liquid alcoholic beverage fit for human consumption.

(12c) "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.

(13) "Sale" means any transfer, trade, exchange, or barter, in any manner or by any means, for consideration.

(13a) **(See note)** "Special ABC area" means an area that meets the following requirements:

Either:

a. The area has fewer than 500 permanent residents, and the area:

1. Is located in a county that borders another state, that has at least one city that has approved the operation of an ABC store, and in which the sale of unfortified wine and malt beverages is permitted countywide or in one city; and

2. Contains more than 500 contiguous acres made up of privately-owned land and land owned by an association or a club that is exempt from income tax on its membership income under Article 4 of Chapter 105 of the General Statutes, has more than 200 members, was created for municipal and recreational purposes, and, for three or more years, has levied assessments or dues and provided municipal services; or

b. The area has more than 500 permanent residents, and the area:

1. Is located in a county:

I. Where ABC stores have heretofore been established but in which the sale of mixed beverages has not been approved;

II. That borders on a county that has approved the sale of alcoholic beverages countywide and contains an international airport; and

III. Borders on a county where ABC stores have heretofore been established by petition pursuant to law; and

2. Contains more than 500 contiguous acres made up of privately-owned land and land owned by an association or a club that is exempt from income tax on its membership income under Article 4 of Chapter 105 of the General Statutes, has more than 200 members, was created for municipal and recreational purposes, and, for three or more years, has levied assessments or dues and provided municipal services; or

c. The area is an area of a county where the following requirements are met:

1. The county borders on the Atlantic Ocean and has a seaport supporting oceangoing vessels;

2. ABC stores have been established in the county and the sale of mixed beverages is allowed in six or more municipalities;

3. The population of the county, according to the 2000 census, exceeds 52,000;

4. The tourism economy of the county is made up of more than 3,000 tourism-related jobs; and

5. Tourism expenditures within the county exceed two hundred million dollars ($200,000,000) annually.

(14) "Spirituous liquor" or "liquor" means distilled spirits or ethyl alcohol, and any alcohol consumable containing distilled spirits or ethyl alcohol, including spirits of wine, whiskey, rum, brandy, gin and all other distilled spirits and mixtures of cordials, liqueur, and premixed cocktails, in closed containers regardless of their dilution.

(14a) "Tourism ABC establishment" means a restaurant or hotel that meets both of the following requirements:

a. Is located on property, a property line of which is located within 1.5 miles of the end of an entrance or exit ramp of a junction on a national scenic parkway designed to attract local, State, national, and

international tourists between the State line and Milepost 469, provided that the Eastern Band of Cherokee Indians tribal alcoholic beverage control commission established under G.S. 18B-112 shall have exclusive authority to issue permits pursuant to this subdivision between Milepost 460 and the southern terminus of the national scenic byway at Milepost 469 for any restaurant or hotel that is located wholly on Indian Country lands.

b. Is located in a county in which the on-premises or off-premises sale of malt beverages or unfortified wine is authorized in at least one city.

(14b) "Tourism resort" means:

a. Any restaurant and lodging facility, whether public or private, owned and operated as a resort property offering food, beverage, lodging, and meeting facilities to travelers and tourists and featuring one or more golf courses and two or more tennis courts along with other recreational and sporting activities, or

b. Any restaurant, whether public or private, owned and operated as a resort property offering food and beverage to travelers and tourists and featuring an equestrian center and two or more tennis courts along with other recreational and sporting activities.

Receipts from sporting and recreational activities of a tourism resort shall be at least twenty-five percent (25%) of total gross receipts. Receipts from the sale of alcoholic beverages shall not exceed fifty percent (50%) of total gross receipts. A tourism resort open to the public shall advertise at least quarterly in a regional or national travel or sports industry publication, or in the State travel guide published by the North Carolina Department of Commerce.

(15) "Unfortified wine" means any wine or alcohol consumable containing sixteen percent (16%) or less alcohol by volume made by fermentation from grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or dextrose sugar; or by the addition of pure brandy from the same type of grape, fruit, berry, rice, or honey that is contained in the base wine and produced in accordance with the regulations of the United States. (1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 2; c. 1285, s. 1; 1983, c. 435, s. 41; 1985, c. 69; 1987, c. 443, s. 1; 1989, c. 629, s. 1; 1989 (Reg. Sess., 1990), c. 1024, s. 5; 1991 (Reg. Sess., 1992), c. 920, ss. 1, 10; 1993, c. 415, ss. 1, 2; 1995, c. 466, s. 1; 1997-443, s. 16.27(b); 1999-461, s. 1; 1999-462, ss. 1, 13; 2001-515, s. 1; 2004-135, s. 1; 2004-203, s. 23; 2005-276, s. 31.1(x); 2005-277, s. 1; 2005-344, s. 10.1(a); 2005-392, s. 1; 2005-435, s. 25(a); 2006-253, s. 2; 2006-264, s. 95; 2010-122, s. 1; 2011-145, s. 19.1(g), (gg); 2014-100, s. 17.1(xxx); 2015-98, ss. 1(a), 2(a), 3(b); 2019-182, s. 12; 2019-203, s. 5; 2021-150, s. 27.1; 2022-44, s. 3(a); 2022-51, ss. 4, 9(a); 2024-41, s. 1(a).)

§ 18B-102. Manufacture, sale, etc., forbidden except as expressly authorized.

(a) General Prohibition. – It shall be unlawful for any person to manufacture, sell, transport, import, deliver, furnish, purchase, consume, or possess any alcoholic beverages except as authorized by the ABC law.

(a1) Powdered Alcohol Prohibition. – It shall be unlawful for any person to manufacture, sell, transport, import, deliver, furnish, purchase, consume, or possess powdered alcohol.

(b) Violation a Class 1 Misdemeanor. – Unless a different punishment is otherwise expressly stated, any person who violates any provision of this Chapter shall be guilty of a Class 1 misdemeanor. In addition the court may impose the provisions of G.S. 18B-202 and of G.S. 18B-503, 18B-504, and 18B-505. (1923, c. 1, s. 1; C.S., s. 3411(a); 1937, c. 49, s. 24; c. 411; 1939, c. 158, s. 501; 1941, c. 339, ss. 1, 3, 4; 1945, c. 780; c. 903, ss. 1, 3, 10; 1971, c. 872, s. 1; 1973, c. 476, s. 193; c. 1014; 1975, c. 329; c. 411, s. 2; 1977, 2nd Sess., c. 1138, s. 1; 1979, c. 683, s. 1; 1981, c. 412, s. 2; 1989, c. 800, s. 1; 1993, c. 539, s. 310; 1994, Ex. Sess., c. 14, s. 29; c. 24, s. 14(c); 2015-98, s. 2(b).)

§ 18B-102.1. Direct shipments from out-of-state prohibited.

(a) It is unlawful for any person who is an out-of-state retail or wholesale dealer in the business of selling alcoholic beverages to ship or cause to be shipped any alcoholic beverage directly to any North Carolina resident who does not hold a valid wholesaler's permit under Article 11 of this Chapter.

(b) The Commission shall mail a notice by certified mail ordering a person who violates the provisions of subsection (a) of this section to cease and desist any shipments of alcoholic beverages to North Carolina residents. If the offender cannot produce a receipt or otherwise show that applicable State taxes have been paid on the shipped alcohol within 30 days after this notice has been deposited by certified mail addressed to the out-of-state retail or wholesale dealer either at the address shown on the shipment or the last known address of that dealer in any legal registry, such as a registry with the Secretary of State for incorporation of a business, or within 30 days after personal service of the notice on the out-of-state retail or wholesale dealer, it shall be presumptive evidence of his intent to ship alcoholic beverages directly to a North Carolina resident who does not hold a valid wholesaler's permit issued by the Commission.

(c) This section shall not apply to producers of beverage alcohol holding a basic permit from the Bureau of Alcohol, Tobacco and Firearms.

(d) Upon determination by the Commission that a holder of a basic permit from the Bureau of Alcohol, Tobacco and Firearms has made an illegal shipment to consumers in North Carolina, the Commission shall notify the Bureau of Alcohol, Tobacco and Firearms in writing and by certified mail and request the Bureau to take appropriate action.

(e) Whoever violates the provisions of this section shall be guilty of a Class I felony and shall pay a fine of not more than ten thousand dollars ($10,000). (1997-348, s. 1.)

§ 18B-103. Exemptions.

All of the following activities shall be permitted:

(1) The use of ethyl alcohol for scientific, chemical, pharmaceutical, mechanical, and industrial purposes.

(2) The use of ethyl alcohol by persons authorized to obtain it tax free, as provided by federal law.

(3) The use of ethyl alcohol in the manufacture and preparation of any product unfit for use as a beverage.

(4) The use of alcoholic beverages by licensed physicians, druggists, or dental surgeons for medicinal or pharmaceutical purposes; or the use of alcoholic

beverages by medical facilities established and maintained for the treatment of patients addicted to the use of alcohol or drugs.

(5) The use of grain alcohol by college, university or State laboratories, and by manufacturers of medicine, for compounding, mixing, or preserving medicines or medical preparations, or for surgical purposes.

(5a) The manufacture, possession, and consumption of alcoholic beverages for the purpose of conducting scientific, chemical, pharmaceutical, mechanical, industrial, and educational research in connection with teaching, research, or extension programs conducted by, or under the supervision of, an instructor at an accredited community college, public or private college or university, or an extension agent in connection with educational programs and activities offered by the North Carolina Cooperative Extension Service.

(6) The manufacture, importation, and possession of denatured alcohol produced and used as provided by federal law.

(7) The manufacture or sale of cider or vinegar.

(8) The possession and use of unfortified wine or fortified wine for sacramental purpose by any organized church or ordained minister, including in public school buildings when the use of those buildings is approved by the local school board.

(9) The possession and use of alcohol acquired for controlled-drinking programs as authorized under G.S. 20-139.1(g).

(10) The use of spirituous liquor in the manufacture of flavors or flavoring extracts that are unfit for beverage use.

(11) Under the direct supervision of an instructor during a culinary class that is part of an established culinary curriculum at an accredited college or university, the delivery to or possession or consumption by a student who is less than 21 years of age, when the student is required to taste or imbibe the alcoholic beverage during a culinary class conducted pursuant to the curriculum.

(12) The trade or exchange of lawfully purchased spirituous liquor if all of the following requirements are met:

a. The transaction only involves the trade or exchange of lawfully purchased spirituous liquor for other lawfully purchased spirituous liquor.

b. The trade or exchange is only between individuals, for personal use only, and not for resale.

c. The spirituous liquor to be traded or exchanged is or has been approved by the Commission for sale in this State and is not unfit for human consumption.

d. The spirituous liquor is not an antique spirituous liquor as that term is defined in G.S. 18B-101(5a). (1923, c. 1, ss. 4, 19, 20; C.S., s. 3411(d), (s), (t); 1935, c. 1141; 1971, c. 872, s. 1; c. 1233; 1981, c. 412, s. 2; c. 747, s. 36; 1981 (Reg. Sess., 1982), c. 1262, s. 3; 1983, c. 435, s. 6; 1985, c. 566, s. 2; 1993, c. 127, s. 1; 2004-199, s. 8; 2009-539, s. 1; 2021-150, s. 23.1.)

§ 18B-104. Administrative penalties.

(a) Penalties. – For any violation of the ABC laws, the Commission may take any of the following actions against a permittee:

(1) Suspend the permittee's permit for a specified period of time not longer than three years.

(2) Revoke the permittee's permit.

(3) For all violations not listed in subdivision (3a) of this subsection, fine the permittee up to five hundred dollars ($500.00) for the first violation, up to seven hundred fifty dollars ($750.00) for the second violation within three years, and up to one thousand dollars ($1,000) for the third violation within three years of the first violation.

(3a) If the violations involve acts of violence, controlled substances, or prostitution occurring on the licensed premises, fine the permittee up to seven hundred fifty dollars ($750.00) for the first violation, up to one thousand dollars ($1,000) for a second violation within three years, and up to one thousand two hundred fifty dollars ($1,250) for a third violation within three years of the first violation. Additionally, the Commission may impose conditions on the operating hours of the business for violations listed in this subdivision.

(4) Suspend the permittee's permit under subdivision (1) [of this subsection] and impose a fine under subdivision (3) or (3a) [of this subsection].

(b) Compromise. – In any case 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 five thousand dollars ($5,000). 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.

(b1) Compromise for Certain Egregious Violations. – In any case in which there are two or more violations within three years 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) if the violations involve any of the following acts:

(1) Acts of violence occurring on the licensed premises.

(2) The permittee or the permittee's agent or employee knowingly allowing any violation of the controlled substances or prostitution statutes on the licensed premises.

The Commission may also impose conditions on the operating hours of the business as part of a compromise pursuant to this subsection. 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.

(c) Fines and Penalties to Treasurer. – The clear proceeds of fines and penalties assessed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(d) Effect on Licenses. – Suspension or revocation of a permit includes automatic suspension or revocation of any related State or local revenue license.

(e) Effect on Other Permits. – Unless some other disposition is ordered by the Commission, revocation or suspension of a permit under subsection (a) includes automatic revocation or suspension, respectively, of any other ABC permit held by the same permittee for the same establishment. (1939, c. 158, s. 514; 1943, c. 400, s. 6; 1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, ss. 7, 14; 1953, c. 1207, ss. 2-5; 1957, cc. 1048, 1440; 1963, c. 426, ss. 4, 5, 10, 12;

c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 193; 1977, c. 669, s. 1; 1981, c. 412, s. 2; 1998-215, s. 27; 2019-49, s. 1.)

§ 18B-105. Advertising.

(a) General Rule. – No person shall advertise alcoholic beverages in this State except in compliance with the rules of the Commission.

(b) Rulemaking Authority. – The Commission shall have the authority to adopt rules to:

(1) Prohibit or regulate advertising of alcoholic beverages by permittees in newspapers, pamphlets, and other print media;

(2) Prohibit or regulate advertising by on-premises permittees of brands or prices of alcoholic beverages via newspapers, radio, television, and other mass media;

(3) Prohibit deceptive or misleading advertising of alcoholic beverages;

(4) Require all advertisements of alcoholic beverages to disclose fully the identity of the advertiser and of the product being advertised;

(5) Prohibit advertisements of alcoholic beverages on the premises of a permittee, or regulate the size, number, and appearance of those advertisements;

(6) Prohibit or regulate advertisement of prices of alcoholic beverages on the premises of a permittee;

(7) Prohibit or regulate alcoholic beverage advertisements on billboards;

(8) Prohibit alcoholic beverage advertisements on outdoor signs, or regulate the nature, size, number, and appearance of those advertisements;

(9) Prohibit or regulate advertising of alcoholic beverages by mail;

(10) Prohibit or regulate contests, games, or other promotions which serve or tend to serve as advertisement for a specific brand or brands of alcoholic beverages; and

(11) Prohibit or regulate any advertising of alcoholic beverages which is contrary to the public interest.

(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. (1923, c. 1, s. 3; C.S., s. 3411(c); 1933, cc. 216, 229; 1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1957, c. 1048; 1963, c. 426, s. 10; c. 460, s. 1; 1971, c. 872, s. 1; 1981, c. 412, s. 2; 2024-41, s. 4(a); 2025-25, s. 29(6).)

§ 18B-106. Alcoholic beverages for use on oceangoing ships.

(a) Delivery Permitted. – Alcoholic beverages for use outside the United States on oceangoing vessels shall be delivered as follows:

(1) Spirituous liquor may be imported into this State under United States customs bonds, held in United States customs bonded warehouses, and transferred between those warehouses. Spirituous liquors may only be released from customs bonds for delivery to an officer or agent of an oceangoing vessel who has obtained a permit from the Commission for that purpose.

(2) 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 an oceangoing vessel. The Commission may require the officer or agent to obtain a permit before purchasing alcoholic beverages under this subdivision.

(b) Definition. – "Oceangoing vessel" means a ship which plies the high seas in interstate or foreign commerce, in the transport of freight or passengers, or both, for hire exclusively.

(c) Rules. – The Commission may issue rules relating to applications for permits and otherwise regulate the importation, sale, and delivery of alcoholic beverages under this section to insure that those beverages are used only on oceangoing vessels outside the United States. (1981, c. 412, s. 2.)

§ 18B-107. Alcoholic beverages for use in air commerce.

(a) Purchase and Storage. – The Commission may issue permits authorizing air carriers offering regularly scheduled or chartered flights in foreign, interstate, or intrastate commerce to purchase malt beverages, unfortified wine, and fortified wine from any wholesaler or retailer licensed in this State, and to transport those alcoholic beverages. The Commission may also authorize air carriers to store, at facilities approved by the Commission, alcoholic beverages to be sold or served pursuant to subsection (b).

(b) Sale. – Air carriers may sell and serve alcoholic beverages anywhere in this State to passengers while in transit aboard any aircraft. At airports which service airplanes boarding at least 150,000 passengers annually, air carriers may serve complimentary alcoholic beverages to their passengers in air carrier passenger rooms approved by the Commission. Alcoholic beverages may not be sold in such a room unless a permit has been issued under Article 10 authorizing sale there. (1981, c. 412, s. 2.)

§ 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 or is at least 100 miles long and

connects to the national rail network. (1981, c. 412, s. 2; c. 747, s. 37; 1985, c. 114, s. 5; 2000-140, s. 39; 2006-227, s. 8; 2024-15, s. 23; 2024-41, s. 11.)

§ 18B-109. Direct shipment of alcoholic beverages into State.

(a) General Prohibition. – Except as provided in G.S. 18B-1001.1, no person shall have any alcoholic beverage mailed or shipped to him from outside this State unless he has the appropriate ABC permit.

(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: (i) an installation of the Armed Forces of the United States within this State if those alcoholic beverages are for resale on the 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.

(c) Wine Shipper Permittees. – It is unlawful for a wine shipper permittee to ship any wines except in compliance with this Chapter and Articles 2C and 5 of Chapter 105 of the General Statutes.

(d) On-Premises Purchases. – A person who purchases wine while visiting the premises of a winery, whether located within or outside the State, may authorize the winery to ship by common carrier, or may personally ship by common carrier, the purchased wine directly to addresses in the State in amounts that can be personally transported in accordance with the laws of this State and of the state in which the winery is located. A winery shipping wine pursuant to this subsection is not required to have a wine shipper permit. (1923, c. 1, s. 2; C.S., s. 3411(b); 1971, c. 872, s. 1; 1975, c. 654, s. 4; 1981, c. 412, s. 2; 2003-402, s. 4; 2011-183, s. 19; 2011-333, s. 1; 2024-41, s. 22(a).)

§ 18B-110. Emergency.

When the Governor finds that an emergency, as that term is defined in G.S. 166A-19.3, exists anywhere in this State, the Governor may

(1) Order the closing of all ABC stores; and

(2) Order the cessation of all sales, transportation, manufacture, and bottling of alcoholic beverages.

The Governor's order shall apply in those portions of the State designated in the order, for the duration of the state of emergency. Any order by the Governor under this section shall be directed to the Chairman of the Commission and to the Secretary of Public Safety. (1969, c. 869, ss. 4, 5; 1971, c. 872, s. 1; 1977, c. 70, s. 21; 1977, 2nd Sess., c. 1138, s. 16; 1981, c. 412, s. 2; 2011-145, s. 19.1(g); 2012-12, s. 2(cc).)

§ 18B-111. Nontaxpaid alcoholic beverages.

No person may possess, transport, or sell nontaxpaid alcoholic beverages except as authorized by the ABC law. (1981 (Reg. Sess., 1982), c. 1262, s. 4.)

§ 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 and the

Catawba Indian Nation shall adopt by ordinance the provisions of this Chapter which are made applicable to 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. 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 each tribe:

(1) The following provisions of Article 1. – General Provisions.
   a. G.S. 18B-101(4), (7), (7c), (9), (10), (11), (12), (12a), (13), (14)(14a), (14b), and (15).
   b. G.S. 18B-102.1.
   c. G.S. 18B-104.
   d. G.S. 18B-105, except that this section shall not apply to any establishment where gaming is permitted under a State compact and pursuant to federal law.
   e. G.S. 18B-109(b).
   f. G.S. 18B-110.
   g. G.S. 18B-111.
   h. G.S. 18B-112.

(2) Article 1A. – Compensation for Injury Caused by Sales to Underage Persons, to the extent it applies to retail establishments or the tribal alcoholic beverage control commission if it operates ABC stores, or any other permitted establishment, at retail pursuant to the provisions of this section.

(3) Article 3. – Sale, Possession, and Consumption, except for G.S. 18B-309.

(4) Article 4. – Transportation.

(5) Article 5. – Enforcement, except for G.S. 18B-500 and G.S. 18B-501.

(5a) Article 6. – Elections, compliance with only G.S. 18B-603(f) and (g) are required.

(6) Article 9. – Issuance of Permits, except for G.S. 18B-902(g) and (h) and G.S. 18B-906.

(7) Article 10. – Retail Activity.

(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 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 Tribal Commissions. – In accordance with the provisions of 18 U.S.C. § 1161, the Eastern Band of Cherokee Indians 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. 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 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 each tribe to offset costs of operating the tribal alcoholic beverage control commission.

(e) Establishment of Rules. – The tribal alcoholic beverage control commission shall adopt the rules of the North Carolina Alcoholic Beverage Control Commission regulating retail outlet activity.

(f) Authority of the North Carolina Alcoholic Beverage Control Commission. – The North Carolina Alcoholic Beverage Control Commission shall have the authority to enter into agreements with the tribal alcoholic beverage control commission to provide for the sale, delivery, and distribution of spirituous liquor to the tribal alcoholic beverage control commission. The tribal alcoholic beverage control commission shall purchase spirituous liquor for resale by the tribal alcoholic beverage control commission exclusively from the North Carolina Alcoholic Beverage Control Commission at the same price and on the same basis that such spirits are purchased by local boards. To the extent there is a conflict between the tribal alcoholic beverage control commission's authority or purpose and the North Carolina Alcoholic Beverage Control

Commission's authority or purpose, the North Carolina Alcoholic Beverage Control Commission shall prevail.

(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 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 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 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. (2011-333, s. 3; 2015-98, s. 3(a); 2017-87, s. 4(d); 2019-182, s. 14(c); 2024-41, s. 22(b).)

§ 18B-113. Reserved for future codification purposes.

§ 18B-114. Reserved for future codification purposes.

§ 18B-115. Reserved for future codification purposes.

§ 18B-116. Reserved for future codification purposes.

§ 18B-117. Reserved for future codification purposes.

§ 18B-118. Reserved for future codification purposes.

§ 18B-119. Reserved for future codification purposes.

Article 1A.

Compensation for Injury Caused by Sales to Underage Persons.

§ 18B-120. Definitions.

As used in this Article:

(1) "Aggrieved party" means a person who sustains an injury as a consequence of the actions of the underage person, but does not include the underage person or a person who aided or abetted in the sale or furnishing to the underage person.

(2) "Injury" includes, but is not limited to, personal injury, property loss, loss of means of support, or death. Damages for death shall be determined under the provisions of G.S. 28A-18-2(b). Nothing in G.S. 28A-18-2(a) or subdivision (1) of this section shall be interpreted to preclude recovery under this Article for loss of support or death on account of injury to or death of the underage person or a person who aided or abetted in the sale or furnishing to the underage person.

(3) "Underage person" means a person who is less than the age legally required for purchase of the alcoholic beverage in question.

(4) "Vehicle" shall have the same meaning as prescribed by G.S. 20-4.01(49). (1983, c. 435, s. 37.)

§ 18B-121. Claim for relief created for sale to underage person.

An aggrieved party has a claim for relief for damages against a permittee or local Alcoholic Beverage Control Board if:

(1) The permittee or his agent or employee or the local board or its agent or employee negligently sold or furnished an alcoholic beverage to an underage person; and

(2) The consumption of the alcoholic beverage that was sold or furnished to an underage person caused or contributed to, in whole or in part, an underage driver's being subject to an impairing substance within the meaning of G.S. 20-138.1 at the time of the injury; and

(3) The injury that resulted was proximately caused by the underage driver's negligent operation of a vehicle while so impaired. (1983, c. 435, s. 37.)

§ 18B-122. Burden of proof and admissibility of evidence.

The plaintiff shall have the burden of proving that the sale or furnishing of the alcoholic beverage to the underage person, as defined, was, under the circumstances, negligent. Proof of the sale or furnishing of the alcoholic beverage to an underage person, as defined, without request for identification shall be admissible as evidence of negligence. Proof of good practices (including but not limited to, instruction of employees as to laws regarding the sale of alcoholic beverages, training of employees, enforcement techniques, admonishment to patrons concerning laws regarding the purchase or furnishing of alcoholic beverages, or detention of a person's identification documents in accordance with G.S. 18B-129 and inquiry about the age or degree of intoxication of the person), evidence that an underage person misrepresented his age, or that the sale or furnishing was made under duress is admissible as evidence that the permittee was not negligent. (1983, c. 435, s. 37.)

§ 18B-123. Limitation on damages.

The total amount of damages that may be awarded to all aggrieved parties pursuant to any claims for relief under this Article is limited to no more than five hundred thousand dollars ($500,000) per occurrence. When all claims arising out of an occurrence exceed five hundred

thousand dollars ($500,000), each claim shall abate in the proportion it bears to the total of all claims. (1983, c. 435, s. 37.)

§ 18B-124. Joint and several liability.

The liability of the negligent driver or owner of the vehicle that caused the injury and the permittee or ABC board which sold or furnished the alcoholic beverage shall be joint and several, with right of contribution but not indemnification. (1983, c. 435, s. 37.)

§ 18B-125. Exceptions.

This Article does not create a claim for relief against the following:

(1) One who holds only a brown bagging permit, a special occasions permit, or a limited special occasions permit;
(2) One who holds only a special one-time permit under G.S. 18B-1002;
(3) One who holds only permits listed in G.S. 18B-1100;
(4) One who holds any combination of the permits listed in this section. (1983, c. 435, s. 37.)

§ 18B-126. Statute of limitations.

The statute of limitations is as provided in G.S. 1-54. (1983, c. 435, s. 37.)

§ 18B-127. Duty of clerk of superior court.

When execution on a judgment on a cause of action under G.S. 18B-121 is returned unsatisfied, in whole or in part, the clerk of superior court to whom such return is made shall transmit to the Commission certified copies of the judgment, the execution and return and any other proceedings upon the judgment. (1983, c. 435, s. 37.)

§ 18B-128. Common-law rights not abridged.

The creation of any claim for relief by this Article may not be interpreted to abrogate or abridge any claims for relief under the common law, but this Article does not authorize double recovery for the same injury. (1983, c. 435, s. 37.)

§ 18B-129. No liability for refusal to sell or for holding documents.

(a) No permittee or his agent or employee may be held liable for damages resulting from the refusal to sell or furnish an alcoholic beverage to a person who fails to show proper identification as described in G.S. 18B-302(d), or who appears to be an underage person.

(b) No permittee or his agent or employee may be held civilly liable if the permittee or his agent or employee holds a customer's identification documents for a reasonable length of time in a good faith attempt to determine whether the customer is of legal age to purchase an alcoholic beverage, provided the permittee or his agent or employee informs the customer of the reason for his actions. (1983, c. 435, s. 37.)

§§ 18B-130 through 18B-199. Reserved for future codification purposes.

Article 2.

State Administration.

§ 18B-200. North Carolina Alcoholic Beverage Control Commission.

(a) Creation of Commission; compensation. – The North Carolina Alcoholic Beverage Control Commission is created to consist of a chairman and two associate members. The Commission shall be administratively located within the Department of Public Safety but shall exercise its powers independently of the Secretary of Public Safety. The chairman shall devote his full time to his official duties and receive a salary fixed by the General Assembly in the Current Operations Appropriations Act. The associate members shall be compensated for per diem, subsistence and travel as provided in Chapter 138 of the General Statutes.

(b) Appointment of Members. – Members of the Commission shall be appointed by the Governor to serve at his pleasure.

(c) Vacancy. – The Governor shall fill any vacancy on the Commission by appointing a successor to serve at the Governor's pleasure. If the chairman's seat becomes vacant, the Governor may designate either the new member or an existing member of the Commission as the chairman.

(d) Employees. – The Commission may authorize the chairman to employ, discharge, and otherwise supervise subordinate personnel of the Commission. The Commission shall appoint at least one employee to make investigations, hold hearings requested under G.S. 18B-1205, and represent the Commission in contested case hearings or perform any other duties authorized by Chapter 150B. (1937, c. 49, ss. 2, 3; c. 411; 1939, c. 185, s. 5; 1941, c. 107, s. 5; 1963, c. 916, s. 1; 1965, c. 1102, ss. 1, 2; 1969, c. 294, ss. 1, 2; 1971, c. 872, s. 1; 1979, c. 336; 1981, c. 412, s. 2; 1983, c. 717, s. 4; 1983 (Reg. Sess., 1984), c. 1034, s. 164; 1987, c. 827, s. 1; 1993, c. 415, s. 3; 2014-100, s. 15.2A(d).)

§ 18B-201. Conflict of interest; gifts.

(a) Financial Interests Restricted. – No person shall be appointed to or employed by the Commission, a local board, or the ALE Division if that person or a member of that person's family related to that person by blood or marriage to the first degree has or controls, directly or indirectly, a financial interest in any commercial alcoholic beverage enterprise, including any business required to have an ABC permit. The Commission may exempt from this provision any person, other than a Commission member, when the financial interest in question is so insignificant or remote that it is unlikely to affect the person's official actions in any way. Exemptions may be granted only to individuals, not to groups or classes of people, and each exemption shall be in writing, be available for public inspection, and contain a statement of the financial interest in question.

(b) Self-dealing. – The provisions of G.S. 14-234 shall apply to the Commission and local boards.

(c) Dealing for Family Members. – Neither the Commission nor any local board shall contract or otherwise deal in any business matter so that a member, member's spouse or any person related to the member by blood to a degree of first cousin or closer in any way financially benefits, directly or indirectly, from the transaction unless:

(1) The member who financially benefits from the transaction or whose spouse or relative financially benefits from the transaction abstains from participating in any way, including voting, in the decision;

(2) The minutes of the meeting at which the final decision is reached specifically note the member who is financially benefited or whose spouse or relative is financially benefited and the amount involved in each transaction;

(3) The next annual audit of the Commission or local board specifically notes the member and the amount involved in each transaction occurring during the year covered by the audit; and

(4) If the transaction is by a local board, the Commission is notified at least two weeks before final board approval of the transaction.

(d) Gifts Generally. – The provisions of G.S. 133-32 shall apply to the Commission and local boards.

(e) Conflicts of Interest for the Commission. – The provisions of Article 4 of Chapter 138A of the General Statutes shall apply to the Commission.

(f) Conflicts of Interest for Local Boards. – Except as permitted under subsection (h) of this section, a local ABC board member shall not knowingly use the local ABC board member's position on the board in any way that will result in financial benefit to the local ABC board member, the local ABC board member's spouse, any person related to the local ABC board member by blood to a degree of first cousin or closer, or any business with which the local ABC board member is associated.

(g) For purposes of subsection (f) of this section, "business with which associated" shall have the same meaning as in G.S. 138A-3(7). For purposes of this section, "financial benefit" shall mean a direct pecuniary gain or loss, or a direct pecuniary loss to a business competitor.

(h) Notwithstanding subsection (f) of this section, a local ABC board member may participate in an action of the local ABC board under any of the following circumstances except as specifically limited:

(1) The financial benefit that accrues to the local ABC board member, the local ABC board member's spouse or any person related to the local ABC board member by blood to a degree of first cousin or closer, or a business with which the local ABC board member is associated is one that is accrued as a member of a profession, occupation, or general class and is no greater than that which could reasonably be foreseen to accrue to all members of that profession, occupation, or general class.

(2) The financial benefit derived by a local ABC board member, the local ABC board member's spouse or any person related to the local ABC board member by blood to a degree of first cousin or closer, or a business with which the local ABC board member is associated is one that would be enjoyed to an extent no greater than that which other citizens of the State would or could enjoy.

(3) The financial benefit derived by a local ABC board member, the local ABC board member's spouse or any person related to the local ABC board member by blood to a degree of first cousin or closer, or a business with which the local ABC board member is so remote, tenuous, insignificant, or speculative that a reasonable person would conclude under the circumstances that the local ABC board member's ability to protect the public interest and perform the local ABC board member's duties would not be compromised.

(4) When an action affects or would affect the local ABC board member's compensation as a local ABC board member.

(5) Before the local ABC board member participated in the action, the board member requested and received from the ABC Commission a written advisory opinion that authorized the participation. In authorizing the participation under this subdivision, the ABC Commission shall consider the need for the local

ABC board member's particular contribution, such as special knowledge of the subject matter and the effective functioning of the local ABC board.

(6) When action is ministerial only and does not require the exercise of discretion.

(7) When the local ABC board records in its minutes that it cannot obtain a quorum in order to take the action because the local ABC board member is disqualified from acting, the local ABC board member may be counted for purposes of a quorum but shall otherwise abstain from taking any further action.

(i) Nothing in this section shall allow participation in an action prohibited by G.S. 14-234 or G.S. 133-32.

(j) A local board member shall not improperly use or improperly disclose any confidential information.

(k) A local board member shall have an affirmative duty to promptly disclose in writing to the local board any conflict of interest or potential conflict of interest. (1981, c. 412, s. 2; 1993, c. 415, s. 4; 2010-122, s. 2; 2011-145, s. 19.1(q); 2014-100, s. 17.1(xxx); 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1; 2019-203, s. 9(a).)

§ 18B-202. Discharge upon conviction.

In addition to imposing any other penalty authorized by law, a judge may remove from office or discharge from employment any Commission or local board member or employee, or any ALE agent, who is convicted of a violation of any provision of this Chapter or of any felony and may declare that person ineligible for membership or employment with the Commission, any local board, or the ALE Division, for a period of not longer than three years. Conviction of a crime under this Chapter or of any felony shall also be grounds for the Commission to remove from office or discharge from employment any local board member or employee. In addition to imposing any other penalty authorized by law, a judge may prohibit an individual convicted of a violation of this Chapter, or of any felony, from participating in any contract to enforce the ABC laws for a local board if that individual is a designated officer of an agency which holds a contract to enforce the ABC laws for a local board. A judge may also prohibit an individual convicted of a violation of this Chapter, or of any felony, from being designated as an officer that enforces the ABC law under a contract with any local board for a period of not longer than three years. (1981, c. 412, s. 2; 2010-122, s. 3; 2011-145, s. 19.1(q); 2014-100, s. 17.1(xxx); 2019-203, s. 9(a).)

§ 18B-203. Powers and duties of the Commission.

(a) Powers. – The Commission shall have authority to:

(1) Administer the ABC laws;

(2) Provide for enforcement of the ABC laws, in conjunction with the ALE Division;

(3) Set the prices of alcoholic beverages sold in local ABC stores as provided in Article 8;

(4) Require reports and audits from local boards as provided in G.S. 18B-205;

(5) Determine what brands of alcoholic beverages may be sold in this State;

(6) Contract for State ABC warehousing, as provided in G.S. 18B-204;

(7) Dispose of damaged alcoholic beverages, as provided in G.S. 18B-806;

(8) Remove for cause any member or employee of a local board;

(9) Supervise or disapprove purchasing by any local board and inspect all records of purchases by local boards;

(10) Approve or disapprove rules adopted by any local board;
(11) Approve or disapprove the opening and location of ABC stores, as provided in Article 8;
(12) Issue ABC permits, and impose sanctions against permittees;
(13) Provide for the testing of alcoholic beverages, as provided in G.S. 18B-206;
(14) Fix the amount of bailment charges and bailment surcharges to be assessed on liquor shipped from a Commission warehouse;
(15) Collect bailment charges and bailment surcharges from local boards;
(16) Notwithstanding any law to the contrary, enter into contracts for design and construction of a warehouse or warehouses and supervise work and materials used in the construction, as provided in G.S. 18B-204;
(17) Provide for the distribution of spirituous liquor to: (i) installations of the Armed Forces of the United States within this State for resale on the 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; and (iii) to the Catawba Indian Nation for resale on Indian Country lands within the State under the jurisdiction of the Catawba Indian Nation.
(18) Provide for the distribution and posting of warning signs to local ABC boards regarding the dangers of alcohol consumption during pregnancy as required under G.S. 18B-808;
(19) Recognize the holder of a wine importer permit or nonresident wine vendor permit as a primary American source of supply for the wine of a winery. 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.
(20) Promulgate rules to establish performance standards for local boards. Performance standards established pursuant to this subdivision shall include, but not be limited to, standards that address enforcement of ABC laws, store appearance, operating efficiency, solvency, and customer service.
(21) Promulgate rules to establish mandatory training requirements for local board members, finance officers, and general managers. If personal attendance is required, the Commission shall not require more than four hours of training and shall provide up to two hours of training at convenient locations around the State in conjunction with ethics training.
(22) Provide for the purchase of spirituous liquor from another ABC board by mixed beverage permittees when an ABC system becomes insolvent, closes, or is closed by the Commission and the county or municipality in which the system is located has approved the sale of mixed beverages.
(23) Provide for a method for permittees and applicants to establish compliance with all local ordinances, and State and federal laws.

(b) Implied Powers. – The Commission shall have all other powers which may be reasonably implied from the granting of the express powers stated in subsection (a), or which may be incidental to, or convenient for, performing the duties given to the Commission. (1937, c. 49, s. 4; cc. 237, 411; 1945, c. 954; 1949, c. 974, s. 9; 1961, c. 956; 1963, c. 426, s. 12; c. 916, s. 2; c. 1119, s. 1; 1965, c. 1063; c. 1102, s. 3; 1967, c. 222, s. 2; c. 1240, s. 1; 1971, c. 872, s. 1; 1973, c. 28;

c. 473, s. 1; c. 476, s. 133; c. 606; c. 1288, s. 1; cc. 1369, 1396; 1975, cc. 240, 453, 640; 1977, c. 70, ss. 15.1, 15.2, 16; c. 176, ss. 2, 6; 1977, 2nd Sess., c. 1138, ss. 3, 4, 18; 1979, c. 384, s. 1; c. 445, s. 5; c. 482; c. 801, s. 4; 1981, c. 412, s. 2; c. 747, s. 38; 1981 (Reg. Sess., 1982), c. 1285, s. 2; 1987, c. 136, s. 1; 2003-339, s. 1; 2006-227, s. 10; 2010-122, s. 4; 2011-145, s. 19.1(q); 2011-183, s. 20; 2011-333, s. 2; 2014-100, s. 17.1(xxx); 2019-203, s. 9(a); 2024-41, s. 22(c); 2025-51, s. 4(a).)

§ 18B-204. State warehouse.

(a) Contracting for Private Warehouse. – The Commission shall provide for the receipt, storage, and distribution of spirituous liquor by one of the following methods:

(1) By negotiated contract with a privately owned warehouse.

(2) By negotiated contract with privately owned warehouses in several regions of the State. The Commission shall choose locations for the warehouses to promote efficient distribution of spirituous liquor to all local boards, to maintain control of that liquor, and to insure the Commission's supervision of warehousing procedures.

(3) By the construction of a warehouse, and by contracting for receipt, storage and distribution of spirituous liquor by an independent contractor, by negotiated contract or by the use of procedures for purchase and contract by State agencies, for the operation of that warehouse.

(a1) Distribution of Spirituous Liquor; No Discrimination. – The Commission shall make a good-faith effort, without discrimination, to make all spirituous liquor distributed by the Commission available to all local boards. The Commission shall adopt rules regarding the ordering of spirituous liquor by local boards and may suspend distribution to a local board of any limited product required to be recorded pursuant to subsection (a3) of this section for a violation of any rule concerning the ordering of the limited product.

(a2) Providing Ordering Advantage Prohibited. – A contractor that has entered into a contract pursuant to this section shall not directly or indirectly provide information to a local board which gives any advantage to one board over another board concerning product selection, availability, or otherwise obtaining spirituous liquor distributed by the Commission. Any violation of this subsection by the contractor, an employee of the contractor, or any person working in concert with the contractor shall be grounds for the Commission to terminate the contract.

(a3) Limited Product Record Required; Transparency. – The Commission shall maintain a record of all products that the Commission either (i) limits distribution of due to limited availability or (ii) allocates the distribution of to local boards. The record shall be updated at least monthly and made available to all local boards and shall include the following for all limited distribution or allocated products received by the Commission:

(1) The product code number.

(2) The brand name.

(3) The quantity received by the Commission.

(4) The date received by the Commission.

(5) The name of each local board that received the product, the date each local board received the product, and the quantity each local board received.

(b) Audits and Inspections. – Contracts entered into pursuant to this section shall provide all of the following:

(1) That an annual audited financial statement be prepared and submitted to the Commission by the person contracting with the Commission.

(2) That all warehouse records be available for inspection at all times by the Commission and the Department of Revenue.

(3) That all warehouse accounts relating to the receipt, storage, or distribution of spirituous liquor be subject to audit by the State Auditor.

(c) Emergency or Temporary Operation. – If the independent operator of a warehouse changes, or if some other occurrence results in substantially impeded distribution of spirituous liquor from a warehouse, the Commission may operate that warehouse on an interim emergency or temporary basis.

(d) Rules. – The Commission may adopt rules regarding warehouse operations, and violations of those rules by a party with whom the Commission contracts shall be grounds for termination by the Commission of a contract entered into under this section. (1937, c. 49, s. 4; cc. 237, 411; 1945, c. 954; 1949, c. 974, s. 9; 1961, c. 956; 1963, c. 426, s. 12; c. 916, s. 2; c. 1119, s. 1; 1965, c. 1063; c. 1102, s. 3; 1967, c. 222, s. 2; c. 1240, s. 1; 1971, c. 872, s. 1; 1973, c. 28; c. 473, s. 1; c. 476, s. 133; c. 606; c. 1288, s. 1; cc. 1369, 1396; 1975, cc. 240, 453, 640; 1977, c. 70, ss. 15.1, 15.2, 16; c. 176, ss. 2, 6; 1977, 2nd Sess., c. 1138, ss. 3, 4, 18; 1979, c. 384, s. 1; c. 445, s. 5; c. 482; c. 801, s. 4; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1285, s. 3; 1987, c. 136, s. 2; 2021-150, s. 24.1.)

§ 18B-205. Accounts and reports required.

(a) Accounts and Reports. – The Commission may require local boards to submit quarterly mixed beverage reports, quarterly and annual audits, monthly sales records, and any other reports or audits relating to the operations of the local ABC systems.

(b) Accounting System. – The Commission may require local boards to use generally accepted accounting standards and a chart of accounts prescribed by the Commission in the operation of ABC stores, and to record all information necessary and useful to the Commission in auditing the operation of ABC systems and administering the ABC law.

(c) Audits. – The Commission may audit the operation of any local ABC store or board, and the books of those stores and boards shall remain open to the Commission for inspection. (1937, c. 49, s. 4; cc. 237, 411; 1945, c. 954; 1949, c. 974, s. 9; 1961, c. 956; 1963, c. 426, s. 12; c. 916, s. 2; c. 1119, s. 1; 1965, c. 1063; c. 1102, s. 3; 1967, c. 222, s. 2; c. 1240, s. 1; 1971, c. 872, s. 1; 1973, c. 28; c. 473, s. 1; c. 476, s. 133; c. 606; c. 1288, s. 1; cc. 1369, 1396; 1975, cc. 240, 453, 640; 1977, c. 70, ss. 15.1, 15.2, 16; c. 176, ss. 2, 6; 1977, 2nd Sess., c. 1138, ss. 3, 4, 18; 1979, c. 384, s. 1; c. 445, s. 5; c. 482; c. 801, s. 4; 1981, c. 412, s. 2.)

§ 18B-206. Standards for alcoholic beverages.

(a) Authority to Set Standards. – The Commission may set standards and adopt rules for alcoholic beverages to protect the public against alcoholic beverages containing harmful or impure substances, alcoholic beverages containing an improper balance of substances as determined by the Commission, spurious or imitation alcoholic beverages, and alcoholic beverages unfit for human consumption. In setting standards and in issuing rules relating to them, the Commission may follow federal guidelines for standards of identity, labeling and advertising contained in Title 27 of the Code of Federal Regulations, or may adopt more restrictive standards.

(b) Effective Date of Standards. – A person possessing alcoholic beverages which do not meet a new standard set by the Commission shall have 60 days after the effective date of the standard to sell or otherwise dispose of those alcoholic beverages.

(c) Testing. – The Commission may test malt beverages, unfortified wine, fortified wine, and spirituous liquor possessed or offered for sale in this State to determine whether they meet the standards set by the Commission. If the Commission chooses to test an alcoholic beverage, that test may be performed by the Commission, the Commission may arrange for the State Chemist to perform the testing, or the Commission may have the testing performed in some other manner. The manufacturer of tested alcoholic beverages shall pay the costs of the test. In lieu of testing an alcoholic beverage, the Commission may rely on testing by a federal agency or an agency of another state or may accept test results from a federal agency, an agency of another state, or the manufacturer of the alcoholic beverage or his authorized agent. A manufacturer who submits test results shall also submit a fee of ten dollars ($10.00) for each test result to cover administrative costs. (1939, c. 158, s. 514; 1943, c. 400, s. 6; 1949, c. 974, s. 14; 1953, c. 1207, ss. 2-4; 1957, c. 1440; 1963, c. 426, ss. 4, 5; 1971, c. 872, s. 1; 1977, c. 70, s. 20.4; 1981, c. 412, s. 2; 2021-150, s. 27.2.)

§ 18B-207. Rules.

The Commission shall have authority to adopt, amend, and repeal rules to carry out the provisions of this Chapter. Those rules shall become effective when adopted and filed pursuant to the provisions of Chapter 150B of the General Statutes. (1937, c. 49, s. 4; cc. 237, 411; 1945, c. 954; 1949, c. 974, s. 9; 1961, c. 956; 1963, c. 426, s. 12; c. 916, s. 2; c. 1119, s. 1; 1965, c. 1063; c. 1102, s. 3; 1967, c. 222, s. 2; c. 1240, s. 1; 1971, c. 872, s. 1; 1973, c. 28; c. 473, s. 1; c. 476, s. 133; c. 606; c. 1288, s. 1; cc. 1369, 1396; 1975, cc. 240, 453, 640; 1977, c. 70, ss. 15.1, 15.2, 16; c. 176, ss. 2, 6; 1977, 2nd Sess., c. 1138, ss. 3, 4, 18; 1979, c. 384, s. 1; c. 445, s. 5; c. 482; c. 801, s. 4; 1981, c. 412, s. 2; 1987, c. 827, s.1.)

§ 18B-208. ABC Commission bonds and funds.

(a) Issuance of Bonds. – As a means of raising the funds needed from time to time in the design, acquisition, construction, equipping, maintenance and operation of a warehouse under G.S. 18B-204(a)(3), the Commission may, with the approval of the Governor, at one time or from time to time issue negotiable revenue bonds of the Commission. The issuance of revenue bonds shall not directly or indirectly or contingently obligate the State to levy or to pledge any form of taxation or to make any appropriation for their payment. Revenue bonds issued pursuant to this subsection shall be repaid from the bailment surcharge as provided in subsection (b). These bonds and the income from them are exempt from all taxation within the State.

(b) Special Fund. – A special fund in the office of the State Treasurer, the ABC Commission Fund, is created. On and after November 1, 1982, all moneys derived from the collection of bailment charges and bailment surcharges shall be deposited in the ABC Commission Fund for the purpose of carrying out the provisions of this Chapter. The ABC Commission Fund shall be subject to the provisions of the State Budget Act except that no unexpended surplus of this fund shall revert to the General Fund. The Commission shall fix the level of the bailment surcharges at an amount calculated to cover operating expenses of the Commission and the retirement of bonds issued for construction of a Commission warehouse and offices. Upon payment of the bonds issued pursuant to this section, the Commission shall reduce the bailment surcharge to an amount no greater than necessary to pay operating expenses of the Commission as authorized by the General Assembly.

All moneys credited to the ABC Commission Fund shall be used to carry out the intent and purposes of the ABC law in accordance with plans approved by the North Carolina ABC

Commission and the Director of the Budget. The moneys in the Fund shall be expended only upon an appropriation by an act of the General Assembly. (1981 (Reg. Sess., 1982), c. 1285, s. 4; 1983, c. 761, s. 133; 1987, c. 832, s. 1; 1989, c. 800 s. 6; 2006-203, s. 13; 2014-100, s. 15.1.)

§ 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. (2024-41, s. 2(a).)

§ 18B-210. Reserved for future codification purposes.

§ 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. (2024-41, s. 8(a).)

§ 18B-212: Reserved for future codification purposes.

§ 18B-213: Reserved for future codification purposes.

§ 18B-214: Reserved for future codification purposes.

§ 18B-215: Reserved for future codification purposes.

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§ 18B-288: Reserved for future codification purposes.

Article 3.

Sale, Possession, and Consumption.

§ 18B-300. Purchase, possession and consumption of malt beverages and unfortified wine.

(a) Generally. – Except as otherwise provided in this Chapter, the purchase, consumption, and possession of malt beverages and unfortified wine by individuals 21 years old and older for their own use is permitted without restriction.

(a1) Consumption on Premises During Time of Permit Revocation or Suspension. – It shall be unlawful to consume or for a permittee or his agent or employee to allow the consumption of malt beverages or unfortified wine on the premises of any business during the period of time that any on-premises permit issued to the business authorizing the sale and consumption of malt

beverages or unfortified wine has been suspended or revoked by the Commission. The prohibition in this subsection does not apply to the premises upon which the business was located at the time the permit was suspended or revoked if the business ceases to operate in that location and the owner of the property is not the permittee, provided that the permittee is not engaged in any other business or other activity on the premises during the period of suspension or revocation.

(b) Consumption at Off-Premises Establishment. – It shall be unlawful to consume, or for a permittee to allow the consumption of, malt beverages or unfortified wine on any premises having only an off-premises permit for the kind of alcoholic beverage being consumed.

(c) Local Ordinance. – A city or county may by ordinance:

(1) Regulate or prohibit the consumption of malt beverages and unfortified wine on the public streets in that city or county by persons who are not occupants of motor vehicles and on property owned, occupied, or controlled by that city or county;

(2) Regulate or prohibit the possession of open containers of malt beverages and unfortified wine on public streets in that city or county by persons who are not occupants of motor vehicles and on property owned, occupied, or controlled by that city or county; and

(3) Regulate or prohibit the possession of malt beverages and unfortified wine on public streets, alleys, or parking lots which are temporarily closed to regular traffic for special events.

For the purposes of this subsection, an open container means a container whose seal has been broken or a container other than the manufacturer's unopened original container. As provided by G.S. 18B-102(a), possession or consumption of alcoholic beverages is unlawful except as authorized by the ABC law. (1939, c. 158, s. 503; 1971, c. 872, s. 1; 1973, c. 1452, ss. 1-3; 1977, c. 176, ss. 2, 3; c. 693; 1979, c. 19, s. 2; c. 445, s. 4; c. 893, s. 11; 1981, c. 412, s. 2; 1983, c. 435, s. 32; 1985, c. 141, s. 1; 1995, c. 144, s. 1; c. 366, s. 2; 2001-79, s. 1; 2013-392, s. 1.)

§ 18B-300.1. Authorization and regulation of social districts.

(a) Policy. – The intent of this section is to regulate open containers of alcoholic beverages that customers of a permittee take from the permittee's licensed premises into another area where consumption of the alcoholic beverages is allowed. This section shall not in any way limit the consumption or possession of alcoholic beverages otherwise allowed under this Chapter.

(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).

(c) Local Ordinances Authorized. – Pursuant to G.S. 153A-145.9, a county may adopt an ordinance designating one or more social districts in the parts of the county outside any city. Pursuant to G.S. 160A-205.4, a city may adopt an ordinance designating one or more social districts.

(d) Requirements for Designation. – A social district designated under this section shall meet all of the following requirements:

(1) The social district shall be clearly defined with signs posted in a conspicuous location indicating which area is included in the social district, the days and hours during which alcoholic beverages may be consumed in the social district, the telephone number for the ALE Division and the local law enforcement agency with jurisdiction over the area comprising the social district, and a clear statement that an alcoholic beverage purchased from a permittee for consumption in a social district shall (i) only be consumed in the social district and (ii) be disposed of before the person in possession of the alcoholic beverage exits the social district. The hours set by a city or county during which customer-purchased alcoholic beverages may be consumed in a social district shall be in accordance with G.S. 18B-1004.

(2) The city or county, or the city's or county's designee, shall establish or approve management and maintenance plans for the social district and post these plans, along with a rendering of the boundaries of the social district and days and hours during which alcoholic beverages may be consumed in the social district, on the website for the city or county. The city's or county's designee may include a private entity, including a property owner or property owner's association. Any plan established under this subdivision shall be approved by the governing body of the city or county. The social district shall be maintained in a manner that protects the health and safety of the general public. The city or county may establish guidelines in the ordinance establishing the social district or in its management and maintenance plan to allow for suspension of regular days and hours of alcohol consumption in all or part of a social district during events requiring other permits pursuant to subsection (j) of this section.

(3) Before allowing consumption of alcoholic beverages in a social district, the city or county shall submit to the Commission a detailed map of the social district with the boundaries of the social district clearly marked, and the days and hours during which alcoholic beverages may be consumed in the social district. The city or county shall only be required to submit a revised map to the Commission if the city or county amends the geographic footprint of a social district. A permittee may be included in the social district even if it chooses to exclude open containers of alcoholic beverages purchased from other permittees in the social district.

(4) The city or county, or the city's or county's designee, shall develop or approve uniform signs indicating that a non-permittee business is included in the social district and allows alcoholic beverages on its premises when the social district is active and distribute the signs to non-permittee businesses that are included in

the social district. The city's or county's designee may include a private entity, including a property owner or property owner's association. The signs may be in the form of a sticker, placard, or other format as deemed appropriate by the city or county. A participating non-permittee business shall display the uniform sign at all times during the times when the social district is active. A customer may not bring an alcoholic beverage into a non-permittee business that does not display the uniform sign. No non-permittee business shall be required to participate or be included in a social district or to allow customers to bring alcohol onto its premises.

(e) Open Containers Sold by Permittees. – A permittee located in a social district may sell open containers of alcoholic beverages and allow customers to exit its licensed premises to the social district in accordance with the following requirements:

(1) The permittee shall only sell and serve alcoholic beverages on its licensed premises.

(2) The permittee shall only sell an open container of an alcoholic beverage for consumption in the social district and off the premises of the permittee in a container that meets all of the following requirements:

a. The container clearly identifies the permittee from which the alcoholic beverage was purchased.

b. The container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed.

c. The container is not comprised of glass.

d. The container displays, in no less than 12-point font, the statement, "Drink Responsibly – Be 21."

e. The container shall not hold more than 16 fluid ounces.

(3) Nothing in this subsection shall be construed to authorize the sale and delivery of alcoholic beverage drinks in excess of the limitation set forth in G.S. 18B-1010.

(f) Limitations on Open Containers. – Except where otherwise allowed by local ordinance, the possession and consumption of an open container of an alcoholic beverage in a social district is subject to all of the following requirements:

(1) A customer may only possess and consume open containers of alcoholic beverages that were purchased from a permittee located in the social district.

(2) Customer-purchased open containers of alcoholic beverages in the social district shall only be in containers meeting the requirements set forth in subsection (e) of this section, except for open containers sold by a permittee for consumption on the permittee's premises.

(3) A customer may only possess and consume open containers of alcoholic beverages in the social district during the days and hours set by the city or county in accordance with subsection (b) of this section, not to exceed the hours for consumption authorized pursuant to G.S. 18B-1004.

(4) A customer shall not possess at one time open containers of alcoholic beverages in the social district in excess of the number of alcoholic beverages that may be sold and delivered by a retail permittee as set forth in G.S. 18B-1010.

(5) A customer shall dispose of any open container of an alcoholic beverage purchased from a permittee in the customer's possession prior to exiting the

social district unless the customer is reentering the licensed premises of the permittee where the customer purchased the alcoholic beverage.

(6) Notwithstanding G.S. 18B-300 and G.S. 18B-301, a permittee or non-permittee business may allow a customer to possess and consume on the business's premises alcoholic beverages purchased from a permittee in the social district.

(g) Limitations on Closed Containers. – A person, including a customer who is in possession of an open container of an alcoholic beverage authorized under this section, may possess alcoholic beverages in closed containers in a social district to the extent allowed by law.

(h) Responsibilities of Non-Permittee Businesses. – A non-permittee business that is part of a social district and that allows customers to bring alcoholic beverages onto its premises shall not be responsible for enforcement of this Chapter. All non-permittee businesses that are part of a social district and that allow customers to bring alcoholic beverages onto their premises shall clearly post signage on any exits that do not open to the social district indicating that alcoholic beverages may not be taken past that point. During the days and hours when the social district is active, a non-permittee business that allows customers to bring alcoholic beverages onto its premises shall allow law enforcement officers access to the areas of the premises accessible by customers.

(i) Multi-Tenant Establishments Located in a Social District. – Permittees and non-permittee businesses in a multi-tenant establishment located within a social district may participate in the social district regardless of whether the multi-tenant establishment has a common area entertainment permit.

(j) Interaction with Other Permits. – The Commission shall issue permits for special events occurring partially or entirely within the boundaries of a social district as follows:

(1) The Commission may issue special one-time permits pursuant to G.S. 18B-1002(a)(2) or (a)(5) for events occurring on premises located partially or entirely within the boundaries of a social district. If the event is scheduled to occur during hours when alcoholic beverages may be consumed in the social district, the event permittee shall, in addition to obtaining such signed law enforcement notification as may be required under the Commission's rules, include in such notification a statement that the event is to occur in a social district during days and hours designated for consumption of alcoholic beverages.

(2) A permittee holding a winery special event permit, malt beverage special event permit, or spirituous liquor special event permit pursuant to G.S. 18B-1114.1, 18B-1114.5, and 18B-1114.7, respectively, may sell and serve products at special events taking place in a social district.

(3) A permittee holding a mixed beverages catering permit pursuant to G.S. 18B-1001(12) may serve spirituous liquor to guests at events taking place in a social district. (2022-49, s. 3(f); 2024-41, s. 15(a).)

§ 18B-300.2. Interaction between contiguous social districts and common area entertainment permittees.

If the boundary of a social district directly borders a designated consumption area established by the owner or property owners' association of a multi-tenant establishment that holds a common area entertainment permit, the owner or property owners' association of the multi-tenant establishment and the local government that designated the social district may enter into a

memorandum of understanding signed by both parties that allows open containers approved for possession and consumption in the designated consumption area to be possessed and consumed in the social district, and open containers approved for possession and consumption in the social district to be possessed and consumed in the designated consumption area during days and hours when both the social district and the designated consumption area are active. All requirements of G.S. 18B-300.1 and G.S. 18B-1001.5 shall apply when a customer takes an alcoholic beverage from a social district to a designated consumption area that is contiguous to or within the social district or from a designated consumption area to a social district that is contiguous to or overlapping with the designated consumption area. A customer may not take a container comprised of glass from a designated consumption area to a contiguous social district or the area of an overlapping social district that is outside the designated consumption area. The holder of the common area entertainment permit shall submit to the Commission a copy of the memorandum of understanding signed by both parties. Either party may terminate a memorandum of understanding by notifying the other party and the Commission in writing of the termination. (2022-49, s. 4.)

§ 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. (2024-41, s. 31.)

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

(a) Possession at Home. – It shall be lawful, without an ABC permit, for any person at least 21 years old to possess for lawful purposes any amount of fortified wine and spirituous liquor at his home or a temporary residence, such as a hotel room.

(b) Possession on Other Property. – It shall be lawful, without an ABC permit, for a person to possess for his personal use and the use of his guests not more than eight liters of fortified wine or spirituous liquor, or eight liters of the two combined, at the following places:

(1) The residence of any other person with that person's consent;

(2) Any other property not primarily used for commercial purposes and not open to the public at the time the alcoholic beverage is possessed, if the owner or other person in charge of the property consents to that possession and consumption;

(3) An establishment with a brown-bagging permit as defined in G.S. 18B-1001(7).

(b1) Possession in a Social District or Common Area. – It shall be lawful, without an ABC permit, for a person to possess an open container of fortified wine or spirituous liquor in a social district or a designated consumption area under a common area entertainment permit in compliance with the provisions of G.S. 18B-300.1 or G.S. 18B-1001.5, respectively.

(c) Special Occasions. – It shall be lawful for a person to possess, without a permit and not for sale, any amount of fortified wine or spirituous liquor for a private party, private reception, or private special occasion, at the following places:

(1) His home or a temporary residence, such as a hotel room;

(2) Any other property not primarily used for commercial purposes, which is under his exclusive control and supervision, and which is not open to the public during the event;

(3) The licensed premises of any business for which the Commission has issued a special occasions permit under G.S. 18B-1001(8), if he is the host of that private function and has the permission of the permittee.

(d) Consumption. – It shall be lawful for a person to consume fortified wine and spirituous liquor in any place where it is lawful for him to possess those alcoholic beverages under subsections (a) through (c).

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

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

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

a. Unless a consumer tasting authorized by G.S. 18B-1114.7 is being conducted, on the premises of an ABC store.

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

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

(2) Any person to display publicly at an athletic contest fortified wine, spirituous liquor, or mixed beverages;

(3) Any person to permit any fortified wine, spirituous liquor, or mixed beverages to be possessed or consumed upon any premises not authorized by this Chapter;

(4) Any person to possess or consume any fortified wine, spirituous liquor, or mixed beverages upon any premises where such possession or consumption is not authorized by law, or where the person has been forbidden to possess or consume that beverage by the owner or other person in charge of the premises;

(5) Any person to possess on any of the premises described in subsections (a) through (c) a greater amount of fortified wine or spirituous liquor than authorized by this Chapter;

(6) Any permittee, other than a mixed beverage or culinary permittee, to possess spirituous liquor or mixed beverages on his licensed premises.

(7) Any person to possess on his person or consume malt beverages or unfortified wine upon any property owned or leased by a local board of education and used by the local board of education for school purposes. Provided, however, the prohibition in G.S. 18B-102(a) and this subdivision shall not apply on property owned by a local board of education which was leased for 99 years or more to a nonprofit auditorium authority created prior to 1991 whose governing board is appointed by a city board of aldermen, a county board of commissioners, or a local school board. (1905, c. 498, ss. 6-8; Rev., ss. 3526, 3534; C.S., s. 3371; 1937, c. 49, ss. 12, 16, 22; c. 411; 1955, c. 999; 1967, c. 222, ss. 1, 8; c. 1256, s. 3; 1969, c. 1018; 1971, c. 872, s. 1; 1973, c. 1226; 1977, c. 176, s. 1; 1977, 2nd Sess., c. 1138, ss. 8-12, 18; 1979, c. 384, s. 3; c. 609, s. 2; c. 718; c. 893, s. 10; 1981, c. 412, s. 2; c. 747, s. 39; 1983, c. 917, s. 1; 1985, c. 566, s. 1; 1991, c. 459, s. 1; 1993, c. 508, s. 1; 1995, c. 372, s. 1; 2017-87, s. 2(a); 2019-182, s. 6(b); 2022-49, s. 1.)

§ 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. (2024-41, s. 16(c).)

§ 18B-302. Sale to or purchase by underage persons.

(a) Sale. – It is unlawful for any person to do any of the following:

(1) Sell malt beverages or unfortified wine to anyone less than 21 years old.

(2) Sell fortified wine, spirituous liquor, or mixed beverages to anyone less than 21 years old.

(a1) Give. – It is unlawful for any person to do any of the following:

(1) Give malt beverages or unfortified wine to anyone less than 21 years old.

(2) Give fortified wine, spirituous liquor, or mixed beverages to anyone less than 21 years old.

(b) Purchase, Possession, or Consumption. – It is unlawful for a person less than 21 years old to do any of the following:

(1) Purchase, attempt to purchase, or possess malt beverages or unfortified wine.

(2) Purchase, attempt to purchase, or possess fortified wine, spirituous liquor, or mixed beverages.

(3) Consume any alcoholic beverage.

(c) Aider and Abettor. –

(1) By Underage Person. – Any person who is under the lawful age to purchase and who aids or abets another in violation of subsection (a), (a1), or (b) of this section is guilty of a Class 2 misdemeanor.

(2) By Person over Lawful Age. – Any person who is over the lawful age to purchase and who aids or abets another in violation of subsection (a), (a1), or (b) of this section is guilty of a Class 1 misdemeanor.

(d) Defense. – It is a defense to a violation of subsection (a) of this section if the seller does any of the following:

(1) Shows that the purchaser produced a driver's license, a special identification card issued under G.S. 20-37.7 or issued by the state agency of any other state authorized to issue similar official state special identification cards for that state, a military identification card, or a passport, showing the purchaser's age to be at least the required age for purchase and bearing a physical description of the person named on the card reasonably describing the purchaser.

(2) Produces evidence of other facts that reasonably indicated at the time of sale that the purchaser was at least the required age.

(3) Shows that at the time of purchase, the purchaser utilized a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under G.S. 20-37.7 or issued by the state agency of any other state authorized to issue similar official state special identification cards for that state, a military identification card, or a passport showing the purchaser's date of birth and bearing a physical description of the person named on the document.

(e) Fraudulent Use of Identification. – It is unlawful for any person to enter or attempt to enter a place where alcoholic beverages are sold or consumed, or to obtain or attempt to obtain alcoholic beverages, or to obtain or attempt to obtain permission to purchase alcoholic beverages, in violation of subsection (b) of this section, by using or attempting to use any of the following:

(1) A fraudulent or altered drivers license.

(2) A fraudulent or altered identification document other than a drivers license.

(3) A drivers license issued to another person.

(4) An identification document other than a drivers license issued to another person.

(5) Any other form or means of identification that indicates or symbolizes that the person is not prohibited from purchasing or possessing alcoholic beverages under this section.

(f) Allowing Use of Identification. – It is unlawful for any person to permit the use of the person's drivers license or any other form of identification of any kind issued or given to the person by any other person who violates or attempts to violate subsection (b) of this section.

(g) Conviction Report Sent to Division of Motor Vehicles. – The court shall file a conviction report with the Division of Motor Vehicles indicating the name of the person convicted and any other information requested by the Division if the person is convicted of any of the following:

(1) A violation of subsection (e) or (f) of this section.

(2) A violation of subsection (c) of this section.

(3) A violation of subsection (b) of this section, if the violation occurred while the person was purchasing or attempting to purchase an alcoholic beverage.

(4) A violation of subsection (a1) of this section.

Upon receipt of a conviction report, the Division shall revoke the person's license as required by G.S. 20-17.3.

(h) Handling in Course of Employment. – Nothing in this section prohibits an underage person from selling, transporting, possessing, or dispensing alcoholic beverages in the course of

employment, if the employment of the person for that purpose is lawful under applicable youth employment statutes and Commission rules.

(i) Purchase, Possession, or Consumption by 19 or 20-Year Old. – A violation of subdivision (b)(1) or (b)(3) of this section by a person who is 19 or 20 years old is a Class 3 misdemeanor.

(j) Screening Test. – Notwithstanding any other provisions of law, a law enforcement officer may require any person the officer has probable cause to believe is less than 21 years old and has consumed alcohol to submit to an alcohol screening test using a device approved by the Department of Health and Human Services. The results of any screening device administered in accordance with the rules of the Department of Health and Human Services are admissible in any court or administrative proceeding. A refusal to submit to an alcohol screening test is admissible in any court or administrative proceeding.

(k) Exception. – Notwithstanding the provisions in this section, it is not unlawful for a person less than 21 years old to consume unfortified wine or fortified wine during participation in an exempted activity under G.S. 18B-103(4), (8), or (11). (1933, c. 216, s. 8; 1959, c. 745, s. 1; 1967, c. 222, s. 3; 1969, c. 998; 1971, c. 872, s. 1; 1973, c. 27; 1977, 2nd Sess., c. 1138, s. 2; 1979, c. 683, s. 2; 1981, c. 412, s. 2; c. 747, ss. 40, 41; 1983, c. 435, ss. 32, 35; c. 740, ss. 1, 2; Ex. Sess., c. 5; 1985, c. 141, ss. 2-3; 1993, c. 539, s. 311; 1994, Ex. Sess., c. 24, s. 14(c); 1999-406, s. 7; 2001-461, ss. 2, 3; 2001-487, s. 42(b); 2005-350, s. 6(a); 2006-253, s. 26; 2007-537, s. 1; 2015-264, s. 7; 2021-88, s. 4(a); 2021-150, s. 10.1(a).)

§ 18B-302.1. Penalties for certain offenses related to underage persons.

(a) A violation of G.S. 18B-302(a) or (a1) is a Class 1 misdemeanor. Notwithstanding the provisions of G.S. 15A-1340.23, if the court imposes a sentence that does not include an active punishment, the court must include among the conditions of probation a requirement that the person pay a fine of at least two hundred fifty dollars ($250.00) as authorized by G.S. 15A-1343(b)(9) and a requirement that the person complete at least 25 hours of community service, as authorized by G.S. 15A-1343(b1)(6). If the person has a previous conviction of this offense in the four years immediately preceding the date of the current offense, and the court imposes a sentence that does not include an active punishment, the court must include among the conditions of probation a requirement that the person pay a fine of at least five hundred dollars ($500.00) as authorized by G.S. 15A-1343(b)(9) and a requirement that the person complete at least 150 hours of community service, as authorized by G.S. 15A-1343(b1)(6).

(b) A violation of G.S. 18B-302(c)(2) is a Class 1 misdemeanor. Notwithstanding the provisions of G.S. 15A-1340.23, if the court imposes a sentence that does not include an active punishment, the court must include among the conditions of probation a requirement that the person pay a fine of at least five hundred dollars ($500.00) as authorized by G.S. 15A-1343(b)(9) and a requirement that the person complete at least 25 hours of community service, as authorized by G.S. 15A-1343(b1)(6). If the person has a previous conviction of this offense in the four years immediately preceding the date of the current offense, and the court imposes a sentence that does not include an active punishment, the court must include among the conditions of probation a requirement that the person pay a fine of at least one thousand dollars ($1,000) as authorized by G.S. 15A-1343(b)(9) and a requirement that the person complete at least 150 hours of community service, as authorized by G.S. 15A-1343(b1)(6).

(c) In addition to the punishments imposed under this section, the court may impose the provisions of G.S. 18B-202 and of G.S. 18B-503, 18B-504, and 18B-505. (1999-433, s. 1; 2007-537, s. 2.)

§ 18B-302.2. Medical treatment; limited immunity.

(a) Limited Immunity for Samaritan. – Notwithstanding any other provision of law, a person under the age of 21 shall not be prosecuted for a violation of G.S. 18B-302 for the possession or consumption of alcoholic beverages if all of the following requirements and conditions are met:

(1) The person sought medical assistance for an individual experiencing an alcohol-related overdose by contacting the 911 system, a law enforcement officer, or emergency medical services personnel.

(1a) The person acted in good faith when seeking medical assistance, upon a reasonable belief that he or she was the first to call for assistance.

(2) The person provided his or her own name to the 911 system or to a law enforcement officer upon arrival.

(3) Repealed by Session Laws 2015-94, s. 2, effective August 1, 2015, and applicable to offenses committed on or after that date.

(4) The person did not seek the medical assistance during the course of the execution of an arrest warrant, search warrant, or other lawful search.

(5) The evidence for prosecution of a violation of G.S. 18B-302 for the possession or consumption of alcoholic beverages was obtained as a result of the person seeking medical assistance for the alcohol-related overdose.

(b) Limited Immunity for Overdose Victim. – The immunity described in subsection (a) of this section shall extend to the person who needed medical assistance if the requirements in subdivisions (1), (1a), (4), and (5) of subsection (a) are satisfied.

(c) Probation or Release. – A person shall not be subject to arrest or revocation of pretrial release, probation, parole, or post-release if the arrest or revocation is based on an offense for which the person is immune from prosecution under subsection (a) or (b) of this section. The arrest of a person for an offense for which subsection (a) or (b) of this section may provide the person with immunity will not itself be deemed to be a commission of a new criminal offense in violation of a condition of the person's pretrial release, condition of probation, or condition of parole or post-release.

(d) Civil Liability for Arrest or Charges. – In addition to any other applicable immunity or limitation on civil liability, a law enforcement officer who, acting in good faith, arrests or charges a person who is thereafter determined to be entitled to immunity under this section shall not be subject to civil liability for the arrest or filing of charges. (2013-23, s. 3; 2015-94, s. 2.)

§ 18B-303. (Repealed) Amounts of alcoholic beverages that may be purchased. (1905, c. 498, ss. 6-8; Rev., ss. 3526, 3534; C.S., s. 3371; 1937, c. 49, ss. 12, 16, 22; c. 411; 1955, c. 999; 1967, c. 222, ss. 1, 8; c. 1256, s. 3; 1969, c. 1018; 1971, c. 872, s. 1; 1973, c. 1226; 1977, c. 176, s. 1; 1977, 2nd Sess., c. 1138, ss. 8-12, 18; 1979, c. 384, s. 3; c. 609, s. 2; c. 718; c. 893, s. 10; 1981, c. 412, s. 2; 1989, c. 553, s. 1; 1993, c. 508, s. 2; 2001-262, s. 5; 2006-253, s. 3.2; 2019-182, s. 23(a); repealed by 2022-44, s. 3(b), effective July 7, 2022.)

§ 18B-304. Sale and possession for sale.

(a) Offense. – It shall be unlawful for any person to sell any alcoholic beverage, or possess any alcoholic beverage for sale, without first obtaining the applicable ABC permit and revenue licenses.

(b) Prima Facie Evidence. – Possession of the following amounts of alcoholic beverages, without a permit authorizing that possession, shall be prima facie evidence that the possessor is possessing those alcoholic beverages for sale:

(1) More than 80 liters of malt beverages, other than draft malt beverages in kegs;

(2) More than eight liters of spirituous liquor; or

(3) Any amount of nontaxpaid alcoholic beverages. (1913, c. 44, s. 2; 1915, c. 97, s. 8; 1923, c. 1, ss. 2, 6, 10; C.S., ss. 3379, 3411(b), (f), (j); 1937, c. 49, ss. 13, 15; 1945, c. 635; 1949, c. 1251, s. 2; 1951, c. 850; 1955, c. 560; 1957, c. 984; c. 1235, s. 1; 1963, c. 932; 1967, c. 222, ss. 4, 6; 1969, c. 789; 1971, c. 872, s. 1; 1975, c. 654, s. 4; 1977, c. 176, ss. 1-3; 1981, c. 412, s. 2; c. 747, s. 42; 1989, c. 553, s. 2; 1993, c. 508, s. 3.)

§ 18B-305. Other prohibited sales.

(a) Sale to Intoxicated Person. – It shall be unlawful for a permittee or his employee or for an ABC store employee to knowingly sell or give alcoholic beverages to any person who is intoxicated.

(b) Discretion for Seller. – Any person authorized to sell alcoholic beverages under this Chapter may, in his discretion, refuse to sell to anyone. It shall be unlawful for any person to knowingly buy alcoholic beverages for someone who has been refused the right to purchase under this subsection.

(c) Notwithstanding subsection (b) of this section, no permittee may refuse to sell alcoholic beverages to a person solely based on that person's race, religion, color, national origin, sex, or disability. (1937, c. 49, ss. 11, 15; c. 411; 1971, c. 872, s. 1; 1977, 2nd Sess., c. 1138, s. 5; 1981, c. 412, s. 2; 1999-462, s. 5.)

§ 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, use at organized affairs, exhibitions, or 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 home maker's contests, tastings, and judgings.

(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. (1971, c. 872, s. 1; 1973, c. 1218; 1981, c. 412, s. 2; c. 747, s. 43; 1985, c. 114, s. 6; 2017-87, s. 10; 2024-41, s. 25(a).)

§ 18B-307. Manufacturing offenses.

(a) Offenses. – It shall be unlawful for any person, except as authorized by this Chapter, to:

(1) Sell or possess equipment or ingredients intended for use in the manufacture of any alcoholic beverage, except equipment and ingredients provided under a Brew on Premises permit or a Winemaking on Premises permit; or

(2) Knowingly allow real or personal property owned or possessed by him to be used by another person for the manufacture of any alcoholic beverage, except pursuant to a Brew on Premises permit or a Winemaking on Premises permit.

(b) Unlawful Manufacturing. – Except as provided in G.S. 18B-306, it shall be unlawful for any person to manufacture any alcoholic beverage, except at an establishment with a Brew on Premises permit or a Winemaking on Premises permit, without first obtaining the applicable ABC permit and revenue licenses.

(c) Second Offense of Manufacturing. – A second offense of unlawful manufacturing of alcoholic beverage shall be a Class I felony. (1905, c. 498, s. 2; Rev., s. 3533; 1923, c. 1, ss. 4, 6, 26; C.S., ss. 3407, 3411(d), (f), (z); 1937, c. 49, s. 13; 1945, c. 635; 1951, c. 850; 1955, c. 560; 1957, c. 984; c. 1235, s. 1; 1969, c. 789; 1971, c. 872, s. 1; 1979, c. 699, s. 1; 1981, c. 412, s. 2; c. 747, s. 44; 1997-467, s. 1; 2006-222, s. 2.2; 2006-227, s. 2.)

§ 18B-308: Repealed by Session Laws 2019-182, s. 14(a), effective September 1, 2019, and applicable to offenses committed on or after that date.

§ 18B-309. Alcoholic beverage sales in Urban Redevelopment Areas.

(a) A food business as defined in G.S. 18B-1000(3), a retail business as defined in G.S. 18B-1000(7), or an eating establishment as defined in G.S. 18B-1000(2) that holds an ABC permit under this Chapter and is located in a part of a city that has been designated as an Urban Redevelopment Area under Article 22 of Chapter 160A of the General Statutes shall not have alcoholic beverage sales in excess of fifty percent (50%) of the business's total annual sales. The city council, or its designee, shall file a certified copy of the official action and original documents, including a map or similar information, designating the area as an Urban Redevelopment Area. The Commission shall make this information available to any permittee who makes a request for this information to the Commission.

(b) Upon request of a city, the Commission shall investigate the total annual alcohol sales and total sales of a business as defined in this section. The Commission shall report the results of such an investigation to the city council, and the report shall contain only the percentage of annual alcohol sales in proportion to the business's total annual sales. A city may request an investigation of a particular business by the Commission only once in each calendar year. These audits may be conducted by the Commission only upon the request of the city council.

(c) Businesses covered by this section shall maintain full and accurate monthly records of their finances, separately indicating each of the following:

(1) Amounts expended by the business for the purchase of alcoholic beverages and the quantity of alcoholic beverages purchased;

(2) Amounts collected from the sale of alcoholic beverages sold; and

(3) Amounts collected from the sale of food, nonalcoholic beverages, and all other items sold by the business.

Records of purchases of alcoholic beverages and sales of alcoholic beverages shall be filed separate and apart from all other records maintained on the premises, and all records related to alcoholic beverages, including original invoices, shall be maintained on the premises for three

years and shall be open for inspection and audit pursuant to G.S. 18B-502. (1999-322, s. 1; 2001-515, s. 3(a).)

§§ 18B-310 through 18B-399. Reserved for future codification purposes.

Article 4.

Transportation.

§ 18B-400. (Repealed) Amounts that may be transported. (1923, c. 1, s. 25; C.S., s. 3411(y); 1937, c. 49, ss. 14, 16; c. 411; 1967, c. 222, ss. 1, 7; c. 1256, s. 3; 1969, c. 598, ss. 2, 3; c. 1018; 1971, c. 872, s. 1; 1977, c. 176, s. 1; c. 586; 1979, c. 607, s. 1; 1981, c. 412, s. 2; 1985, c. 757, s. 163; repealed by 2022-44, s. 3(c), effective July 7, 2022.)

§ 18B-401. Manner of transportation.

(a) Opened Containers. – Except as authorized by a common carrier vehicle permit under G.S. 18B-1001(23), it shall be unlawful for a person to transport fortified wine or spirituous liquor in the passenger area of a motor vehicle in other than the manufacturer's unopened original container. It shall be unlawful for a person who is driving a motor vehicle on a highway or public vehicular area to consume in the passenger area of that vehicle any malt beverage or unfortified wine. Violation of this subsection shall constitute a Class 3 misdemeanor.

(b) Taxis. – It shall be unlawful for a person operating a for-hire passenger vehicle as defined in G.S. 20-4.01(27)f., to transport fortified wine or spirituous liquor unless the vehicle is transporting a paying passenger who owns the alcoholic beverage being transported. A violation of this subsection shall not be grounds for suspension of the driver's license for illegal transportation of intoxicating liquors under G.S. 20-16(a)(8).

(c) Definitions. – The definitions in Chapter 20 of the General Statutes apply in interpreting this section. If the seal on a container of alcoholic beverages has been broken, it is opened within the meaning of this section. For purposes of this section, "passenger area of a motor vehicle" means the area designed to seat the driver and passengers and any area within the reach of a seated driver or passenger, including the glove compartment. In the case of a station wagon, hatchback or similar vehicle, the area behind the last upright back seat shall not be considered part of the passenger area. (1923, c. 1, s. 25; C.S., s. 3411(y); 1937, c. 49, ss. 14, 16; c. 411; 1967, c. 222, ss. 1, 7; c. 1256, s. 3; 1969, c. 598, ss. 2, 3; c. 1018; 1971, c. 872, s. 1; 1977, c. 176, s. 1; c. 586; 1979, c. 607, s. 1; 1981, c. 412, s. 2; c. 747, s. 45; 1983, c. 435, s. 7; 1989, c. 553, s. 3; 1993, c. 508, s. 4; c. 539, s. 312; 1994, Ex. Sess., c. 24, s. 14(c); 2017-102, s. 5.2(b); 2021-150, s. 28.3; 2022-44, s. 3(d).)

§ 18B-402. (Repealed) Alcoholic beverages purchased out-of-State. (1923, c. 1, s. 25; C.S., s. 3411(y); 1937, c. 49, ss. 14, 16; c. 411; 1967, c. 222, ss. 1, 7; c. 1256, s. 3; 1969, c. 598, ss. 2, 3; c. 1018; 1971, c. 872, s. 1; 1977, c. 176, s. 1; c. 586; 1979, c. 607, s. 1; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 5; repealed by 2022-44, s. 3(e), effective July 7, 2022.)

§ 18B-403. (Repealed) Purchase-transportation permit. (1969, c. 617, s. 1; 1971, c. 872, s. 1; 1973, c. 94; c. 819, s. 1; 1975, ss. 1-4; 1977, c. 176, ss. 1, 2, 4; 1979, c. 19, ss. 3, 4; c. 286, s. 1; c. 445, ss. 1, 3; c. 1076, ss. 1, 2, 3; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982),

c. 1262, ss. 6-8; 1983, c. 457, s. 1; 2019-182, ss. 5(a), 23(b); repealed by 2022-44, s. 3(f), effective July 7, 2022.)

§ 18B-403.1. Purchase-transportation permit for keg or kegs of malt beverages.

(a) Purchase-Transportation. – A person who is not a permittee may purchase and transport for off-premises consumption a keg or kegs as defined in G.S. 18B-101(7c) after obtaining a purchase-transportation permit. Failure to obtain a purchase-transportation permit according to this section is a violation of G.S. 18B-303(b).

(b) Issuance. – A person holding a permit (permittee) pursuant to G.S. 18B-1001(2) shall issue a purchase-transportation permit for a keg or kegs of malt beverage to a purchaser. A copy of the purchase-transportation permit shall be maintained by the permittee for 90 days. Upon request by any person, the permittee shall maintain the permit for a requested period in excess of 90 days.

(c) Form. – A purchase-transportation permit shall be issued on a printed form adopted and provided by the Commission. The Commission shall adopt rules specifying the content of the permit form.

(d) Restrictions on Permit. – A purchase may be made only from the store named on the permit. One copy of the permit shall be kept by the purchaser and one by the permittee from whom the purchase is made. The purchaser shall display his copy of the permit to any law enforcement officer upon request.

(e) Violation. – The first violation of this section by a permittee shall result in a warning to the permittee. (2006-253, s. 3.1; 2010-122, s. 1.)

§ 18B-404. Additional provisions for purchase and transportation by mixed beverage permittees.

(a), (b) Repealed by Session Laws 2022-44, s. 3(h), effective July 7, 2022.

(c) Designated Store. – 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.

(d) Repealed by Session Laws 2022-44, s. 3(h), effective July 7, 2022.

(e) Electronic Payment. – A local board shall accept electronic payments for any spirituous liquor purchased by a mixed beverages permittee. A local board may not charge a fee for accepting electronic payments under this subsection. For purposes of this subsection, the term "electronic payment" means payment by debit card or by electronic funds transfer as defined in G.S. 105-228.90, but does not include payment by charge card or credit card.

(f) [Delivery Service. –] A local board shall offer delivery service to mixed beverage permittees. In providing delivery of purchased products to mixed beverage permittees, the local board may use its employees or contract with one or more independent contractors and may charge a fee to the permittee. A local board in a Tier 1 or Tier 2 county, as defined in G.S. 143B-472.35(a2)(18), may request an exemption to this requirement from the ABC Commission. The Commission shall grant the request if the local board can show evidence of unreasonable hardship or difficulty incurred by implementing delivery service. (1981, c. 412, s. 2; c. 747, ss. 46, 47; 1987, c. 136, s. 3; 1991, c. 459, s. 10; c. 565, ss. 5, 7; 1991 (Reg. Sess., 1992), c. 920, s. 2; 1999-462, s. 4; 2003-218, s. 3; 2019-182, s. 17(a); 2021-150, s. 30.1; 2022-44, s. 3(h); 2024-41, s. 6(a).)

§ 18B-405. (Repealed) Transportation by permittee. (1923, c. 1, s. 15; C.S., s. 3411(o); 1939, c. 158, s. 503; 1971, c. 872, s. 1; 1975, c. 411, s. 7; 1977, c. 70, s. 20; c. 176, s. 7; 1979, c. 286, s. 5; 1981, c. 412, s. 2; 1987, c. 136, s. 4; repealed by 2022-44, s. 3(i), effective July 7, 2022.)

§ 18B-406. (Repealed) Unlawful transportation. (1981, c. 412, s. 2; repealed by 2022-44, s. 3(j), effective July 7, 2022.)

§§ 18B-407 through 18B-499. Reserved for future codification purposes.

Article 5.

Law Enforcement.

§ 18B-500. Alcohol law-enforcement agents.

(a) Appointment. – The Secretary of Public Safety shall appoint and supervise the Director of the Division of Alcohol Law Enforcement of the Department of Public Safety. The Director of the Division of Alcohol Law Enforcement of the Department of Public Safety may appoint and supervise a sufficient number of assistants who shall be competent and qualified to do the work of the Division. The Director is responsible for making all hiring and personnel decisions of the Division. Notwithstanding the provisions of this Chapter or Chapter 143A of the General Statutes, the Director may hire or fire personnel and transfer personnel within the Division. The Director may also appoint a regular employee of the Commission as an ALE agent, provided the employee was employed by the ABC Commission and serving as an ALE agent on January 1, 2019. Alcohol law-enforcement agents shall be designated as "alcohol law-enforcement agents." Persons serving as reserve alcohol law-enforcement agents are considered employees of the Division for workers' compensation purposes while performing duties assigned or approved by the Director of the Division or the Director's designee.

(b) Subject Matter Jurisdiction. – After taking the oath prescribed for a peace officer, an alcohol law-enforcement agent shall have authority to arrest and take other investigatory and enforcement actions for any criminal offense:

(1) Occurring, encountered, or otherwise discovered on the premises of, or elsewhere when the conduct relates to, a location under application for or holding a permit issued by the North Carolina Alcoholic Beverage Control Commission or the North Carolina Education Lottery Commission.

(2) Encountered or otherwise discovered while investigating or enforcing matters for the North Carolina Alcoholic Beverage Control Commission or the North Carolina Education Lottery Commission or encountered or otherwise discovered while investigating or enforcing the provisions of this Chapter, Chapter 18C of the General Statutes, Article 5 of Chapter 90 of the General Statutes, Part 3 of Article 4 of Chapter 143B of the General Statutes, G.S. 14-313, or Parts 1 and 2 of Article 37 of Chapter 14 of the General Statutes.

(3) Encountered or otherwise discovered while carrying out any duty or function assigned to the Division by law.

(4) Occurring in an agent's presence.

(5) When assisting another law enforcement agency.

(b1) Authority. – Alcohol law-enforcement agents have authority as peace officers to execute criminal process, respond to and take enforcement action for any crime of violence or

breach of the peace, and any additional duties as may from time to time be directed by the Governor or the Secretary of Public Safety when needed for security purposes at a public event or to protect persons or property because of a disaster or state of emergency.

(b2) Primary Responsibilities. – The primary responsibilities of an alcohol law-enforcement agent are the enforcement of this Chapter, Chapter 18C of the General Statutes, G.S. 14-313, and Parts 1 and 2 of Article 37 of Chapter 14 of the General Statutes.

(c) Territorial Jurisdiction. – An alcohol law-enforcement agent is a State officer with jurisdiction throughout the State.

(d) Service of Commission Orders. – Alcohol law-enforcement agents may serve and execute notices, orders, or demands issued by the Alcoholic Beverage Control Commission or the North Carolina State Lottery Commission for the surrender of permits or relating to any administrative proceeding. While serving and executing such notices, orders, or demands, alcohol law-enforcement agents shall have all the power and authority possessed by law-enforcement officers when executing an arrest warrant.

(e) Discharge. – Alcohol law-enforcement agents are subject to the discharge provisions of G.S. 18B-202.

(f) Repealed by Session Laws 1995, c. 507, s. 6.2(a).

(g) Shifting of Personnel From One District to Another. – The Director of the Alcohol Law Enforcement Division may, from time to time, shift the forces from one district to another or consolidate more than one district force at any point for special purposes. Whenever an agent of the Alcohol Law Enforcement Division is transferred from one district to another for the convenience of the State or for reasons other than the request of the agent, the Department shall be responsible for transporting the household goods, furniture, and personal apparel of the agent and members of the agent's household. (1939, c. 158, s. 514; 1943, c. 400, s. 6; 1949, c. 974, ss. 11, 14; c. 1251, s. 4; 1951, c. 1056, s. 1; c. 1186, ss. 1, 2; 1953, c. 1207, ss. 2-4; 1957, c. 1440; 1961, c. 645; 1963, c. 426, ss. 1, 2, 4, 5, 12; 1967, c. 868; 1971, c. 872, s. 1; 1977, c. 70, s. 17; 1981, c. 412, s. 2; 1983, c. 629, s. 1; c. 768, ss. 25.1, 25.2; 1995, c. 466, s. 2; c. 507, s. 6.2(a); 2005-276, ss. 31.1(y), 31.1(z); 2005-344, ss. 10.1(b), 10.1(c); 2006-264, s. 35; 2011-145, s. 19.1(z); 2011-391, s. 43(j); 2012-83, s. 3; 2014-100, s. 17.1(www); 2018-5, s. 16B.3(b); 2019-203, s. 4; 2026-31, s. 9(d).)

§ 18B-501. Local ABC officers.

(a) Appointment. – Except as provided in subsection (f), each local board shall hire one or more ABC enforcement officers. Local ABC enforcement officers shall be designated as "ABC Officers". The local board may designate one officer as the chief ABC officer for that board.

(b) Subject Matter Jurisdiction. – After taking the oath prescribed for a peace officer, a local ABC officer may arrest and take other investigatory and enforcement actions for any criminal offense; however, the primary responsibility of a local ABC officer is enforcement of the ABC laws and Article 5 of Chapter 90 (The Controlled Substances Act).

(c) Territorial Jurisdiction. – A local ABC officer has jurisdiction anywhere in the county in which he is employed except that a city ABC officer's territorial jurisdiction is subject to any limitation included in any local act governing that city ABC system. A local ABC officer may pursue outside his normal territorial jurisdiction anyone who commits an offense within that jurisdiction, as provided in G.S. 15A-402(d).

(d) Assisting Other Local Agencies. – The local ABC officers employed by a local board shall constitute a "law-enforcement agency" for purposes of G.S. 160A-288, and a local board

shall have the same authority as a city or county governing body to approve cooperation between law-enforcement agencies under that section.

(e) Assisting State and Federal Enforcement. – A local ABC officer may assist State and federal law-enforcement agencies in the investigation of criminal offenses in North Carolina, under the following conditions:

(1) The local board employing the officer has adopted a resolution approving such assistance and stating the conditions under which it may be provided;
(2) The State or federal agency has made a written request for assistance from that local board, either for a particular investigation or for any investigation that might require assistance within a certain period of time;
(3) The local ABC officer is supervised by someone in the requesting agency; and
(4) As soon as practical after the assistance begins, an acknowledgement of the action is placed in the records of the local board.

A local ABC officer shall have territorial jurisdiction throughout North Carolina while assisting a State or federal agency under this section. While providing that assistance the officer shall continue to be considered an employee of the local board for purposes of salary, worker's compensation, and other benefits, unless a different arrangement is negotiated between the local board and the requesting agency.

(f) Contracts with Other Agencies. – Instead of hiring local ABC officers, a local board may contract to pay its enforcement funds to a sheriff's office, city police department, or other local law-enforcement agency for enforcement of the ABC laws within the law-enforcement agency's territorial jurisdiction. Enforcement agreements may be made with more than one agency at the same time. When such a contract for enforcement exists, the designated officers of the contracting law-enforcement agency shall have the same authority to inspect under G.S. 18B-502 that an ABC officer employed by that local board would have. An agency contracted to provide ABC law enforcement shall designate no more than five officers to conduct inspections pursuant to this section and G.S. 18B-502. If a city located in two or more counties approves the sale of some type of alcoholic beverage pursuant to the provisions of G.S. 18B-600(e4), and there are no local ABC boards established in the city and one of the counties in which the city is located, the local ABC board of any county in which the city is located may enter into an enforcement agreement with the city's police department for enforcement of the ABC laws within the entire city, including that portion of the city located in the county of the ABC board entering into the enforcement agreement.

(f1) Accountability; Enforcement Reports. – To ensure accountability to the appointing authority and the Commission, every local board's ABC officers and those law enforcement agencies subject to an enforcement agreement entered into pursuant to subsection (f) of this section shall report to the local board, by the fifth business day of each month, on a form developed by the Commission, the following:

(1) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at ABC permitted outlets.
(2) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at other locations.
(3) The number of agencies assisted with ABC law or controlled substance related matters.
(4) The number of alcohol education and responsible server programs presented.

The local board shall submit a copy of the enforcement report to the appointing authority and the Commission not later than five business days after receipt of the enforcement report by the

local board. The Commission shall publish this information, by local board and enforcement agency, on a public website maintained by the Commission.

(g) Discharge. – Local ABC officers and the designated officers of agencies which contract with local boards for enforcement of the ABC laws are subject to the discharge and ineligibility provisions of G.S. 18B-202. (1949, c. 1251, s. 4; 1961, c. 645; 1963, c. 426, s. 2; 1967, c. 868; 1971, c. 872, s. 1; 1973, c. 29; 1977, c. 908; 1981, c. 412, s. 2; 1993, c. 193, s. 2; 1995, c. 466, ss. 3, 4; 2010-122, ss. 5, 6, 7(a); 2021-182, s. 3(e); 2025-25, s. 29(5).)

§ 18B-502. Inspection of licensed premises.

(a) Authority. – To procure evidence of violations of the ABC law, alcohol law-enforcement agents, employees of the Commission, local ABC officers, and officers of local law-enforcement agencies that have contracted to provide ABC enforcement under G.S. 18B-501(f) shall have authority to investigate the operation of each licensed premises for which an ABC permit has been issued, to make inspections that include viewing the entire premises, and to examine the books and records of the permittee. The inspection authorized by this section may be made at any time it reasonably appears that someone is on the premises. Alcohol law-enforcement agents are also authorized to be on the premises to the extent necessary to enforce the provisions of Article 68 of Chapter 143 of the General Statutes. For purposes of this subsection, the phrase "licensed premises for which an ABC permit has been issued" includes a social district authorized under G.S. 18B-300.1 and an extended area authorized under G.S. 18B-904(h).

(b) Interference with Inspection. – Refusal by a permittee or by any employee of a permittee to permit officers to enter the premises to make an inspection authorized by subsection (a) shall be cause for revocation, suspension or other action against the permit of the permittee as provided in G.S. 18B-104. It shall be a Class 2 misdemeanor for any person to resist or obstruct an officer attempting to make a lawful inspection under this section.

(c) Notice to Permit Holders. – 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. (1939, c. 158, s. 514; 1943, c. 400, s. 6; 1949, c. 974, ss. 11, 14; c. 1251, s. 4; 1951, c. 1056, s. 1; c. 1186, ss. 1, 2; 1953, c. 1207, ss. 2-4; 1957, c. 1440; 1961, c. 645; 1963, c. 426, ss. 1, 2, 4, 5, 12; 1967, c. 868; 1971, c. 872, s. 1; 1977, c. 70, s. 17; 1981, c. 412, s. 2; 1993, c. 539, s. 313; 1994, Ex. Sess., c. 24, s. 14(c); 1998-212, s. 19.11(f); 2021-150, s. 22.1; 2022-49, s. 3(a); 2024-41, s. 19(a); 2025-51, s. 5.)

§ 18B-503. Disposition of seized alcoholic beverages.

(a) Storage. – A law-enforcement officer who seizes alcoholic beverages as evidence of an ABC law violation shall provide for the storage of those alcoholic beverages until the commencement of the trial or administrative hearing relating to the violation, unless some other disposition is authorized under this section.

(b) Disposition Before Trial. – After giving notice to each defendant, to any other known owner, and to the Commission, a judge may order any of the following dispositions of alcoholic beverages seized as evidence of an ABC law violation:

(1) The destruction of any malt beverages except that amount needed for evidence at trial.

(2) The sale of any alcoholic beverages other than malt beverages or nontaxpaid alcoholic beverages, and other than any alcoholic beverages needed for evidence at trial, if the trial is likely to be delayed for more than 90 days, or if the quantity or nature of the alcoholic beverages is such that storage is impractical or unduly expensive.

(3) The destruction of the alcoholic beverages if storage or sale is not practical.

(4) Continued storage of the alcoholic beverages.

(c) Disposition After Trial. – After the criminal charge is resolved, a judge may order the following dispositions of seized alcoholic beverages:

(1) If the owner or possessor of the alcoholic beverages is found guilty of a criminal charge relating to those alcoholic beverages, the judge may order the sale or destruction of any alcoholic beverages that were held until trial.

(2) If the owner or possessor of the alcoholic beverages is found not guilty, or if charges are dismissed or otherwise resolved in favor of the owner or possessor, the judge shall order the alcoholic beverages returned to that owner or possessor, except as provided in subdivision (3).

(3) If the owner or possessor of the alcoholic beverages is found not guilty, or if charges are otherwise resolved in favor of the owner or possessor, but possession of the alcoholic beverages by that owner or possessor would be unlawful, the judge shall order the alcoholic beverages either sold or destroyed.

(4) If ownership of the alcoholic beverages remains uncertain after trial or after the charges have been dismissed, the judge may order the alcoholic beverages held, or the alcoholic beverages sold and the proceeds held, for a specified time, until ownership of the alcoholic beverages can be determined.

(d) Holding for Administrative Hearings. – If alcoholic beverages used as evidence in a criminal proceeding are also needed as evidence at an administrative hearing, a judge shall not order any of the dispositions set out in subsection (c), but shall order the alcoholic beverages held for the administrative hearing and for a determination of final disposition by the Commission. The Commission may, before or after an administrative hearing, order any of the dispositions authorized under subsections (b) and (c). If no related criminal proceeding has commenced, the Commission shall not order sale or destruction of alcoholic beverages until notice has been given to the district attorney for the district where the alcoholic beverages were seized or any violation of ABC laws related to the seizure of the alcoholic beverages is likely to be prosecuted.

(e) Sale Procedure. – The sale of unfortified wine or fortified wine shall be by public auction unless those wines would likely become spoiled or lose value in the time required to arrange a public auction. If spoilage or loss of value is likely, the judge ordering the sale or the Commission may authorize sale at the prevailing wholesale price, as determined by the Commission, to one or more persons holding the appropriate retail wine permits in the county in which the wine was seized, or in a neighboring county if there are no such persons in the county in which the wine was seized. Spirituous liquor may be sold only to the local ABC board serving the city or county in which the liquor was seized, or, if there is no local board for that city or county, to

the nearest local board. The sale price shall be at least ten percent (10%) less than the price the local board would pay for the same liquor bought through the State warehouse.

(f) Sale Proceeds. – An agency selling alcoholic beverages seized under the provisions of this Chapter shall keep the proceeds in a separate account until some other disposition is ordered by a judge or the Commission. In a criminal proceeding, if the owner or possessor of the alcoholic beverages is found guilty of a violation relating to seizure of the alcoholic beverages, if the owner or possessor is found not guilty or the charge is dismissed or otherwise resolved in favor of the owner or possessor, but the possession of the alcoholic beverages by that owner or possessor would be unlawful, or if the ownership of the alcoholic beverages cannot be determined, the proceeds from the sale of those alcoholic beverages shall be paid to the school fund of the county in which the alcoholic beverages were seized. If the owner or possessor of alcoholic beverages seized for violation of the ABC laws is found not guilty of criminal charges relating to the seizure of those beverages or the charge is dismissed or otherwise resolved in favor of the owner or possessor, and if possession of the alcoholic beverages by that owner or possessor was lawful when the beverages were seized, the proceeds from the sale of those alcoholic beverages shall be paid to the owner or possessor. The agency making the sale may deduct and retain from the amount to be placed in the county school fund the costs of storing the seized alcoholic beverages and of conducting the sale, but may not deduct those costs from the amount to be turned over to an owner or possessor of the alcoholic beverages.

(g) Court Action by Owner. – Any person who claims any of the following resulting from the seizure of alcoholic beverages may bring an action in the superior court of the county in which the alcoholic beverages were seized:

(1) To be the owner of alcoholic beverages that are wrongfully held.
(2) To be the owner of alcoholic beverages that are needed as evidence in another proceeding.
(3) To be entitled to proceeds from a sale of seized alcoholic beverages.
(4) To be entitled to restitution for alcoholic beverages wrongfully destroyed. (1923, c. 1, s. 12; C.S., s. 3411(l); 1939, c. 12; 1941, c. 310; 1957, c. 1235, s. 3; 1971, c. 872, s. 1; 1981, c. 412, s. 2; 1993, c. 415, s. 5.)

§ 18B-504. Forfeiture.

(a) Property Subject to Forfeiture. – The following kinds of property shall be subject to forfeiture:

(1) Motor vehicles, boats, airplanes, and all other conveyances used to transport nontaxpaid alcoholic beverages in violation of the ABC laws;
(2) Containers for alcoholic beverages which are manufactured, possessed, sold, or transported in violation of the ABC laws; and
(3) Equipment or ingredients used in the manufacture of alcoholic beverages in violation of the ABC laws.

(b) Exemption for Forfeiture. – Property which may be possessed lawfully shall not be subject to forfeiture when it was used unlawfully by someone other than the owner of the property and the owner did not consent to the unlawful use.

(c) Seizure of Property. – If property subject to forfeiture has not already been seized as part of an arrest or search, a law-enforcement officer may apply to a judge for an order authorizing seizure of that property. An order for seizure may be issued only after criminal process has been issued for an ABC law violation in connection with that property. The order shall describe the

property to be seized and shall state the facts establishing probable cause to believe that the property is subject to forfeiture.

(d) Custody until Trial. – A law-enforcement officer seizing property subject to forfeiture shall provide for its safe storage until trial. The officer may destroy stills and perishable materials seized under subdivision (a)(3), if storage is impractical and if the absence of the property will not be likely to adversely affect the defendant's right to defend against the charge that is the basis for the forfeiture. If the officer having custody of the property is satisfied that it will be returned at the time of trial, he may return the property to the owner upon receiving a bond for the value of the property, signed by sufficient sureties. If the property is not returned at the time of trial, the full amount of the bond shall be forfeited to the court. Property which it is unlawful to possess may not be returned to the owner.

(e) Disposition after Trial. – The presiding judge in a criminal proceeding for violation of ABC laws may take the following actions after resolution of a charge against the owner or possessor of property subject to forfeiture under this section:

(1) If the owner or possessor of the property is found guilty of an ABC offense, the judge may order the property forfeited.

(2) If the owner or possessor of the property is found not guilty, or if the charge is dismissed or otherwise resolved in favor of the owner or possessor, the judge shall order the property returned to the owner or possessor.

(3) If ownership of the property remains uncertain after trial, the judge may order the property held for a specified time to determine ownership. If the judge finds that ownership cannot be determined with reasonable effort, the judge shall order the property forfeited.

(4) Regardless of the disposition of the charge, if the property is something that may not be possessed lawfully, the judge shall order it forfeited.

(5) If the property is also needed as evidence at an administrative hearing, the judge shall provide that the order does not go into effect until the Commission determines that the property is no longer needed for the administrative proceeding.

(f) Disposition of Forfeited Property. – A judge ordering forfeiture of property may order any one of the following dispositions:

(1) Sale at public auction;

(2) Sale at auction after notice to certain named individuals or groups, if only a limited number of people would have use for that property;

(3) Delivery to a named State or local law-enforcement agency, if the property is not suited for sale, with preference to be given in the following order, to: the agency that seized the property, the ALE Division, the Commission, the local board of the jurisdiction in which the property was seized, and the Department of Justice; or

(4) Destruction, if possession of the property would be unlawful and it could not be used or is not wanted for law enforcement, or if sale or other disposition is not practical.

(g) Proceeds of Sale. – If forfeited property is sold, the proceeds of that sale shall be paid to the school fund of the county in which the property was seized, except as provided in subsection (h). Before placing the proceeds in the school fund the agency making the sale may deduct and retain the costs of storing the property and conducting the sale.

(h) Innocent Parties. – At any time before forfeiture is ordered, an owner of seized property or a holder of a security interest in seized property, other than the defendant, may apply to protect his interest in the property. The application may be made to any judge who has jurisdiction to try the offense with which the property is associated. If the judge finds that the property owner or holder of a security interest did not consent to the unlawful use of the property, and that the property may be possessed lawfully by the owner or holder, the judge may order:

(1) That the property be returned to the owner, if it is not needed as evidence at trial;

(2) That the property be returned to the owner following trial or other resolution of the case; or

(3) That, if the property is sold following trial, a specified sum be paid from the proceeds of that sale to the holder of the security interest.

(i) Defendant Unavailable. – When property is seized for forfeiture, but the owner is unknown, the district attorney may seek forfeiture under this section by an action in rem against the property. If the owner is known and has been charged with an offense, but is unavailable for trial, the district attorney may seek forfeiture either by an action in rem against the property or by motion in the criminal action.

(j) When No Charge is Made. – Any owner of property seized for forfeiture may apply to a judge to have the property returned to him if no criminal charge has been made in connection with that property within a reasonable time after seizure. The judge may not order the return of the property if possession by the owner would be unlawful. (1923, c. 1, s. 6; C.S., s. 3411(f); 1927, c. 18; 1945, c. 635; 1951, c. 850; 1955, c. 560; 1957, c. 1235, s. 1; 1969, c. 789; 1971, c. 872, s. 1; 1977, c. 854, s. 2; 1981, c. 412, s. 2; c. 747, s. 48; 1993, c. 415, s. 6; 2011-145, s. 19.1(q); 2014-100, s. 17.1(xxx); 2019-203, s. 9(a).)

§ 18B-505. Restitution.

When a person is convicted of a violation of the ABC laws, the court may order him to make restitution to any law-enforcement agency for reasonable expenditures made in purchasing alcoholic beverages from him or his agent as part of an investigation leading to his conviction. (1981, c. 412, s. 2.)

§§ 18B-506 through 18B-599. Reserved for future codification purposes.

Article 6.

Elections.

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

(a) Kinds of Elections. – The following kinds of alcoholic beverage elections shall be permitted:

(1) Malt beverage;

(2) Unfortified wine;

(3) ABC store; and

(4) Mixed beverage.

(a1) ABC Store Elections Requiring Merger. – A jurisdiction located in a county where an ABC board is already in operation may hold an ABC store election only if all of the following criteria are met:

(1) The jurisdiction has negotiated the details of the merger required by G.S. 18B-700(c1) if the establishment of ABC stores is approved.

(2) The details of the planned merger, including the distribution of profits, have been determined in accordance with G.S. 18B-703, and have been made available to all registered voters in the jurisdiction where the ABC store election is to be held.

(b) County Elections. – Any county may hold a malt beverage, unfortified wine, or ABC store election. A county may hold a mixed beverage election only if the county already operates at least one county ABC store or a county election on ABC stores is to be held at the same time as the mixed beverage election.

(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, andthe city has a population of 400 or more according to the most recent federal decennial census.

(c1) Certain City Malt Beverage and Unfortified Wine Elections. – A city may hold a malt beverage or unfortified wine election only if all of the following criteria are met:

(1) The county in which more than fifty percent (50%) of the area of the primary corporate limits of the city is located has already held such an election, and the vote in the last county election was against the sale of that kind of alcoholic beverage.

(2) The city has a population of 200 or more.

(3) The county in which more than fifty percent (50%) of the area of the primary corporate limits of the city is located also contains three or more other cities that have previously voted to allow malt beverage or unfortified wine sales.

(d) City ABC Store Elections. – A city may hold an ABC store election only if all of the following criteria are met:

(1) The city has at least 1,000 registered voters.

(2) The county in which the city is located does not operate ABC stores.

(3) At least one other city in the same county operates an ABC store.

(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 permittee in the city may purchase 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.

(e1) Small City Mixed Beverage Elections. – A city may also hold a mixed beverage election if the city has at least 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 permittee in the smaller city may purchase 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.

(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) Repealed by Session Laws 2024-41, s. 6(b), retroactively effective November 1, 2022, and applies to elections conducted on or after that date.

(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, a mixed beverage permittee may purchase 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. 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 permittee in the town may purchase 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.

(f) Township Elections. – An election may be called on any of the propositions listed in G.S. 18B-602 in any township located within:

(1) A county where ABC stores have heretofore been established by petition pursuant to law.

(2) A county where ABC stores have been established pursuant to law, in which county according to data from the North Carolina Department of Commerce: (i) one-third or more of the employment is travel related, (ii) spending on travel exceeds four hundred million dollars ($400,000,000) per year, and where the entirety of two townships consists of one island (and several smaller islands not making up more than one percent (1%) of the total land area of the two townships) where that island:

a. Has a population of 4,000 or over according to the most recent decennial federal census;
b. Is located with one side facing the ocean and another side facing a coastal sound.

(3) Repealed by Session Laws 2004-203, s. 24, effective August 17, 2004.

An election may be called on any of the propositions listed in G.S. 18B-602(a), (d), and (h) in any township located within a county where the population of all cities in the county that have previously approved the sale of any kind of alcoholic beverages comprises more than twenty percent (20%) of the total county population as of the most recent federal census. In the case of subdivision (2) of this section, an election may be called in the two townships voting together on the proposition contained in G.S. 18B-602(h).

The election shall be held by the county board of elections upon request of the county board of commissioners or upon petition of twenty-five percent (25%) of the registered voters of the township, or in the case of subdivision (2) of this section, of the two townships taken together. The election shall be conducted and the results determined in the same manner as county elections held under this Article. For purposes of this Article, townships holding any election under this subsection shall be treated on the same basis as counties, and municipalities located within those townships shall be treated on the same basis as cities. In the case of an election under subdivision (2) of this subsection, the votes of the two townships counted together shall determine the result of the election.

For purposes of this subsection, the name and boundary of a township is as it is shown on the Redistricting Census 2000 TIGER Files with modifications made by the Legislative Services Office on its computer database as of May 1, 2001.

In any township election held under this subsection, the area within any incorporated municipality is excluded, and no permits may be issued under this subsection in any excluded area.

In order for an establishment to qualify for a permit under this subsection, the establishment's gross receipts from food and nonalcoholic beverages shall be greater than its gross receipts from alcoholic beverages.

(g) Beautification District Elections. – In a county where ABC stores have been approved by an election and a beautification district has been created after May, 1984, and prior to June 30, 1990, an election authorized by subsection (a) of this section may be called in the beautification district. The election shall be called in accordance with G.S. 18B-601(b), conducted, and the results determined in the same manner as county elections held under this Article. For purposes of this Article, beautification districts holding any election shall be treated on the same basis as counties, and municipalities located within those beautification districts shall be treated on the same basis as cities.

(h) Railroad Passenger Terminus Location Elections. – Notwithstanding any other provision of this section, any city or town that is the passenger terminus of a rail line that carries at least 60,000 passengers annually may hold an election authorized by subdivisions (a)(1) and (a)(2) of this section. Any election held under this subsection shall be for the on-premises sale of malt beverages and the on-premises sale of unfortified wine pursuant to G.S. 18B-602(a)(2) and G.S. 18B-602(d)(2). (1937, c. 49, ss. 25, 26; c. 431; 1947, c. 1084, ss. 1, 2, 4; 1951, c. 999, ss. 1, 2; 1957, c. 816; 1963, c. 265, ss. 1-3; 1965, c. 506; 1969, c. 647, s. 1; 1971, c. 872, s. 1; 1973, cc. 32, 33; 1977, c. 149, s. 1; c. 182, s. 2; 1977, 2nd Sess., c. 1138, s. 15; 1979, c. 140, ss. 2, 3; c. 609, s. 1; c. 683, s. 13; 1979, 2nd Sess., c. 1174; 1981, c. 412, s. 2; c. 747, s. 49; 1983, c. 113, s. 1; 1983, c. 457, s. 2; 1985 (Reg. Sess., 1986), c. 919, s. 1; 1987, c. 766; 1989, c. 77; c. 400, s. 6; 1991 (Reg. Sess.,

1992), c. 976, s. 1; 1993, c. 193, s. 1; 1995, c. 148, s. 1; 2001-515, s. 4; 2003-218, s. 1; 2004-203, s. 24; 2005-336, s. 1; 2007-386, s. 1; 2010-122, ss. 7(b), 8; 2015-103, s. 7; 2018-28, s. 1; 2018-65, s. 3; 2019-182, s. 16(a); 2021-150, s. 14.1; 2022-44, s. 3(k); 2024-41, s. 6(b).)

§ 18B-601. Election procedure.

(a) Generally. – Except as otherwise provided in this section, an alcoholic beverage election shall be conducted in the same manner and under the same rules as a referendum under Chapter 163.

(b) How County Election Called. – A county alcoholic beverage election shall be conducted by the county board of elections. When a county is eligible to hold an election under G.S. 18B-600, the county board of elections shall hold the election upon receiving either:

(1) A written request for an election from the governing body of the county; or

(2) A petition requesting an election signed by at least thirty-five percent (35%) of the voters registered in the county at the time the petition was initiated.

(c) How City Election Called. – A city alcoholic beverage election shall be conducted by the county board of elections or, in the case of a city authorized under Chapter 163 to conduct its own elections, by the city board of elections. When a city is eligible to hold an election under G.S. 18B-600, the board of elections shall hold the election upon receiving either:

(1) A written request for an election from the city governing body; or

(2) A petition requesting an election signed by at least thirty-five percent (35%) of the voters registered in the city at the time the petition was initiated.

(d) Form of Request. – A request or petition for a malt beverage election shall state which of the four propositions in G.S. 18B-602(a) are to be voted upon. A request or petition for an unfortified wine election shall state which of the three propositions in G.S. 18B-602(d) are to be voted upon. More than one kind of alcoholic beverage election may be included in a single request or petition.

(e) Petitions. – A petition for an election shall be on a form provided by the appropriate local board of elections and shall contain the signature, name, address and precinct of each voter who signs. A petition shall be considered initiated at the time the form is delivered by the board of elections to the person who requests it. Within 72 hours after the petition is initiated, the board of elections shall certify the number of registered voters in the city or county at the time it was initiated. The petition shall be returned to the board of elections within 90 days of the time it is initiated. Failure to return the petition within that time shall render it void. The board of elections shall determine the sufficiency of the petition within 30 days after it is returned.

(f) Election Date. – The board of elections shall conduct and set the date for the alcoholic beverage election in accordance with G.S. 163-287.

(g) Registration. – No separate registration shall be required to vote in an alcoholic beverage election. Registration shall be closed for an alcoholic beverage election in the same manner and under the same schedule as for any other election.

(h) Notice. – The board of elections shall give notice of an alcoholic beverage election and notice of the close of registration in the same manner and under the same schedule as for any other election.

(i) Observers. – The proponents and opponents for an alcoholic beverage election, as determined by the local board of elections, shall have the right to appoint two observers to attend each voting place. The persons authorized to appoint observers shall, by noon on the business day before the observer is scheduled to serve, submit in writing to the county board of elections a

signed list of the observers appointed for voting places in that county. Before each voting place opens for voting, the county board of elections shall provide a copy of the list of appointed observers for each voting place to the chief judge for that respective voting place. The persons appointed as observers shall be registered voters of the county in which appointed to serve. The chief judge and judges for the voting place may challenge the appointment of an observer in accordance with G.S. 163-45.1. Observers shall do no electioneering at the voting place nor in any manner impede the voting process, interfere or communicate with or observe any voter in casting his ballot. Observers shall be permitted in the voting place to make such observation and to take such notes as they may desire. (1937, c. 49, ss. 25, 26; c. 431; 1947, c. 1084, ss. 1, 2, 4; 1951, c. 999, ss. 1, 2; 1957, c. 816; 1963, c. 265, ss. 1-3; 1965, c. 506; 1969, c. 647, s. 1; 1971, c. 872, s. 1; 1973, cc. 32, 33; 1977, c. 149, s. 1; c. 182, s. 2; 1977, 2nd Sess., c. 1138, s. 15; 1979, c. 140, ss. 2, 3; c. 609, s. 1; c. 683, s. 13; 1979, 2nd Sess., c. 1174; 1981, c. 412, s. 2; 1985, c. 705, ss. 1, 2.1; 1987, c. 14; 1993 (Reg. Sess., 1994), c. 762, s. 8; 2013-381, s. 10.3; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1; 2023-140, s. 7(d).)

§ 18B-602. Form of ballots.

(a) Malt Beverage Elections. – Any one or more of the propositions listed below may be placed on the ballot for a malt beverage election. Each voter may vote on each proposition on the ballot. The propositions to be used shall be chosen by the governing body or petitioner requesting the election. The propositions shall read as follows:

(1) To permit the "on-premises" and "off-premises" sale of malt beverages.
[ ] FOR
[ ] AGAINST

(2) To permit the "on-premises" sale only of malt beverages.
[ ] FOR
[ ] AGAINST

(3) To permit the "off-premises" sale only of malt beverages.
[ ] FOR
[ ] AGAINST

(4) To permit the "on-premises" sale of malt beverages by Class A hotels, motels, and restaurants only; and to permit "off-premises" sales by other permittees.
[ ] FOR
[ ] AGAINST

(b) Determining Results of Malt Beverage Election. – The kind of malt beverage sales described in each proposition that receives a majority of votes "FOR" shall be allowed. If propositions (2) and (4) are both on the ballot and (2) receives a majority of votes "FOR," then sales shall be permitted according to that proposition regardless of the vote on (4). If one of the propositions receiving a majority of votes "FOR" is proposition (1), then the kind of sales described in that proposition shall be allowed regardless of the vote on any other proposition at that election.

(c) Subsequent Malt Beverage Elections. – A subsequent election in which a majority votes "AGAINST" malt beverage proposition (1) shall not affect the legality of sales that have previously been approved under proposition (2), (3), or (4). A subsequent election in which a majority votes "AGAINST" malt beverage proposition (2) or (3) shall not affect the legality of sales that have previously been approved under proposition (4).

(d) Unfortified Wine Elections. – Any one or more of the propositions listed below may be placed on the ballot for an unfortified wine election. Each voter may vote on each proposition on the ballot. The propositions to be used shall be chosen by the governing body or petitioner requesting the election. The propositions shall read as follows:

(1) To permit the "on-premises" and "off-premises" sale of unfortified wine.
[ ] FOR
[ ] AGAINST

(2) To permit the "on-premises" sale only of unfortified wine.
[ ] FOR
[ ] AGAINST

(3) To permit the "off-premises" sale only of unfortified wine.
[ ] FOR
[ ] AGAINST

(e) Determining Results of Unfortified Wine Election. – The kind of unfortified wine sales described in each proposition that receives a majority of votes "FOR" shall be allowed. If one of the propositions receiving a majority of votes "FOR" is proposition (1), then the kind of sales described in that proposition shall be allowed, regardless of the vote on any other proposition at that election.

(f) Subsequent Unfortified Wine Election. – A subsequent election in which a majority votes "AGAINST" unfortified wine proposition (1) shall not affect the legality of sales previously approved under proposition (2) or (3).

(g) ABC Store Elections. – The ballot for an ABC store election shall state the proposition as follows:

To permit the operation of ABC stores.
[ ] FOR
[ ] AGAINST

(h) Mixed Beverage Elections. – The ballot for a mixed beverage election shall state the proposition as follows:

To permit the sale of mixed beverages in hotels, restaurants, private clubs, community theatres, and convention centers and the "on-premises" and "off-premises" sale of malt beverages and unfortified wine in qualified establishments.
[ ] FOR
[ ] AGAINST

(1947, c. 1084, ss. 1, 2, 4; 1951, c. 999, ss. 1, 2; 1957, c. 816; 1963, c. 265, ss. 1-3; 1965, c. 506; 1969, c. 647, s. 1; 1971, c. 872, s. 1; 1973, c. 33; 1977, c. 149, s. 1; c. 182, s. 2; 1979, c. 140, s. 3; c. 683, s. 13; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 9; 1983, c. 583, s. 6; 2021-150, s. 13.1(a).)

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

(a) Malt Beverage Elections. – If a malt beverage election is held under G.S. 18B-602(a) and the sale of malt beverages is approved, the Commission may issue permits to qualified persons and establishments in the jurisdiction that held the election as follows:

(1) If on-premises sales are approved, the Commission may issue on-premises malt beverage permits.

(2) If off-premises sales are approved, the Commission may issue off-premises malt beverage permits.

(3) If both on-premises and off-premises sales are approved, the Commission may issue both on-premises and off-premises malt beverage permits.

(4) If the kinds of sales described in G.S. 18B-602(a)(4) are approved, the Commission may issue on-premises malt beverage permits to restaurants and hotels only and off-premises malt beverage permits to other permittees.

(b) Unfortified Wine Elections. – If an unfortified wine election is held under G.S. 18B-602(d) and the sale of unfortified wine is approved, the Commission may issue permits to qualified persons and establishments in the jurisdiction that held the election as follows:

(1) If on-premises sales are approved, the Commission may issue on-premises unfortified wine permits.

(2) If off-premises sales are approved, the Commission may issue off-premises unfortified wine permits.

(3) If both on-premises and off-premises sales are approved, the Commission may issue both on-premises and off-premises unfortified wine permits.

(c) ABC Store Elections. – If an ABC store election is held under G.S. 18B-602(g) and the establishment of ABC stores is approved, each of the following shall be authorized in the jurisdiction that held the election:

(1) The jurisdiction that held the election may establish and operate ABC stores in the manner described in Articles 7 and 8.

(2) The Commission may issue on-premises and off-premises fortified wine and unfortified wine permits to qualified persons and establishments in that jurisdiction, regardless of any unfortified wine election or any local act, except that neither on-premises nor off-premises unfortified wine permits may be issued in a jurisdiction if:

a. The jurisdiction approved ABC stores before January 1, 1982;

b. The jurisdiction held an unfortified wine election before January 1, 1982; and

c. In that unfortified wine election, the jurisdiction did not approve either on-premises or off-premises sales of unfortified wine.

(3) The Commission may issue brown-bagging permits to restaurants, hotels, and community theatres in the county in which the election was held, whether the election was held by the county or by a city or other jurisdiction within the county. Brown-bagging permits may not be issued, however, for restaurants, hotels, or community theatres in any jurisdiction in which the sale of mixed beverages has been approved.

(d) Mixed Beverage Elections. – If a mixed beverage election is held under G.S. 18B-602(h) and the sale of mixed beverages is approved, the Commission may issue permits to qualified persons and establishments in the jurisdiction that held the election as follows:

(1) The Commission may issue mixed beverage permits.

(2) Repealed by Session Laws 2022-51, s. 7(a), effective July 7, 2022.

(3) The Commission may issue off-premises malt beverage permits to any establishment that meets the requirements under G.S. 18B-1001(2) in any jurisdiction that has voted to permit the sale of mixed beverages, regardless of any other local act concerning sales of those kinds of alcoholic beverages. The Commission may also issue off-premises unfortified wine permits to any establishment that meets the requirements under G.S. 18B-1001(4) in any

jurisdiction that has voted to permit the sale of mixed beverages, regardless of any other local act concerning sales of those kinds of alcoholic beverages.

(3a) The Commission may issue either of the following permits in any jurisdiction that has voted to permit the sale of mixed beverages, regardless of any other local act concerning sales of those kinds of alcoholic beverages:

a. On-premises malt beverage permits to any establishment that meets the requirements of G.S. 18B-1001(1).

b. On-premises unfortified wine permits to any establishment that meets the requirements of G.S. 18B-1001(3).

c. On-premises fortified wine permits to any establishment that meets the requirements of G.S. 18B-1001(5).

(4) The Commission may issue brown-bagging permits for private clubs and congressionally chartered veterans organizations but may no longer issue and may not renew brown-bagging permits for restaurants, hotels, and community theatres. A restaurant, hotel, or community theatre may not be issued a mixed beverage permit under subdivision (1) until it surrenders its brown-bagging permit.

(5) The Commission may continue to issue culinary permits for establishments that do not have mixed beverage permits. An establishment may not be issued a mixed beverage permit under subdivision (1) until it surrenders its culinary permit.

(d1) In any county in which the sale of mixed beverages has been approved in elections in at least three cities that, combined, contain more than two-thirds the total county population as of the most recent federal census, the county board of commissioners may by resolution approve the sale of mixed beverages throughout the county, and the Commission may issue permits as if mixed beverages had been approved in a county election.

(d2) If a county or city holds a mixed beverage election and an ABC store election at the same time and the voters do not approve the establishment of an ABC store, the Commission may issue mixed beverages permits in that county or city.

(e) Mixed Beverages at Airports. – When the sale of mixed beverages has been approved in a city election, the Commission may also issue permits under subsection (d) for qualified establishments outside the city but within the same county, if:

(1) The establishment is on the property of an airport;

(2) The airport is operated by the city or by an airport authority in which the city participates; and

(3) The airport services planes which board at least 150,000 passengers annually.

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

(1) Special occasion permits.

(2) Limited special occasion permits.

(3) Brown-bagging permits for private clubs and congressionally chartered veterans organizations.

(4) Culinary permits, except as restricted by subdivision (d)(5).

(5) Special one-time permits issued under G.S. 18B-1002.

(6) All permits listed in G.S. 18B-1100.

(7) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism ABC establishments.
(8) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism resorts.
(9) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for historic ABC establishments.
(10) Special auction permits issued under G.S. 18B-1002.1.

(f1) Reserved for future codification purposes.

(f2) Permits for Special ABC Areas. – The Commission may issue the permits provided for in G.S. 18B-1001(1), G.S. 18B-1001(2), G.S. 18B-1001(3), G.S. 18B-1001(4), G.S. 18B-1001(5), G.S. 18B-1001(6), and G.S. 18B-1001(10) to qualified persons and establishments located within a Special ABC area as defined in G.S. 18B-101, provided that: (i) if such area is a municipal corporation, the area shall conduct an election authorized by subdivision (a)(4) of G.S. 18B-600, which election may be held regardless of the number of registered voters located within the municipal corporation; or (ii) if such area is unincorporated but has within such area a private association or club, the board of such private association or club shall call and conduct a special meeting at which meeting a majority of private association members, club members, lot and home owners, votes and approves the sale of mixed beverages, and the board certifies the results of such meeting to the Alcoholic Beverage Control Commission.

(g) Miscellaneous. – The definitions in G.S. 18B-1000 shall apply to this section.

(h) Permits Based on Existing Permits. – In any county which borders on the Atlantic Ocean and where (i) the sale of malt beverage on and off premises, the sale of unfortified wine on and off premises, the sale of mixed beverages, and the operation of an ABC system has been allowed in at least six cities in the county, or in any county adjacent to that county in which an ABC system has been allowed, or (ii) the sale of malt beverage on and off premises, the sale of unfortified wine on and off premises, the sale of mixed beverages, and the operation of an ABC system has been allowed in at least eight cities in the county, the Commission may issue permits to sports clubs as defined in G.S. 18B-1000(8) throughout the county.

The Commission may issue the following permits:

(1) On and Off Premises Malt Beverage;
(2) On and Off Premises Unfortified Wine;
(3) On and Off Premises Fortified Wine; or
(4) Mixed Beverages.

The Commission may also issue on-premises malt beverage, unfortified wine, fortified wine and mixed beverages permits to a sports club located in a county adjacent to any county that has approved the sale of mixed beverages pursuant to G.S. 18B-603(d1), if the county in which the sports club is located borders another state and has at least one city that has approved the sale of mixed beverages. Sports clubs holding mixed beverages permits shall purchase their spirituous liquor at the nearest ABC system store that is located in the county.

The Commission may further issue on-premises malt beverage and on-premises unfortified wine permits to a sports club located in a county bordering on another state that is adjacent to any county in which permits were issued pursuant to this subsection prior to August 1, 1993. The sports clubs must be located in the unincorporated areas of a county, in which the sale of malt beverages and unfortified wine is not permitted, and where there are six or more municipalities in that county where the sale of malt beverages and unfortified wine is permitted. (1947, c. 1084, s. 3; 1969, c. 647, s. 2; 1971, c. 872, s. 1; 1981, c. 412, s. 2; c. 589; 1981 (Reg. Sess., 1982), c. 1240; 1983, c. 113,

s. 2; 1985, c. 689, s. 7; 1987, c. 136, ss. 5, 6; c. 307, s. 2; c. 443, s. 2; 1989, c. 629, s. 2; 1991 (Reg. Sess., 1992), c. 920, ss. 11, 13; 1993, c. 415, ss. 7-9; 1995, c. 466, s. 5; 1999-456, s. 10; 1999-461, s. 2; 1999-462, ss. 3, 6, 7, 9.; 2000-140, s. 2; 2004-199, s. 9; 2007-402, s. 1; 2017-87, s. 3(a); 2021-150, s. 13.1(b); 2022-44, s. 3(l); 2022-51, s. 7(a), (b).)

§ 18B-604. Timing and effect of subsequent elections.

(a) Time Limits. – No county alcoholic beverage election may be held within three years of the certification of the results of a previous election on the same kind of alcoholic beverages in that county. No city alcoholic beverage election may be held within three years of the certification of the results of a previous election on the same kind of alcoholic beverage in that city. Otherwise, alcoholic beverage elections may be held at any time, subject to the applicable provisions of this Chapter and Chapter 163.

(b) Effect of Favorable County Vote on City or Township. – If a majority of voters vote in favor of certain alcoholic beverage sales in a county election, sale of that kind of alcoholic beverage shall be lawful throughout the county, regardless of the vote in any city or township at that or any previous or subsequent election, and regardless of any local act making sales unlawful in that city or township, unless the local act was ratified before the effective date of Article II, Section 24(1)(j) of the Constitution of North Carolina. A county malt beverage or unfortified [wine] election in favor of a particular ballot proposition which is more restrictive than the form of sale already allowed in a city or township within that county shall not affect the legality of those previously authorized sales in the city or township.

(c) Effect of Negative County Vote on City or Township. – If a majority of voters vote against certain alcoholic beverage sales in a county election, sale of that kind of alcoholic beverage shall be unlawful throughout the county, except that sale of that alcoholic beverage shall remain lawful in any city or township in which sale is lawful because of a city or township election or a local act.

(d) Effect of City or Township Election on County. – A city or township alcoholic beverage election shall not affect the lawfulness of sale in any part of the county outside that city or township.

(e) Repealed by Session Laws 2003-218, s. 2, effective June 19, 2003.

(f) When Sales Stop. – When the sale of any alcoholic beverage that was previously lawful becomes unlawful because of an election, the sale of that alcoholic beverage shall cease 90 days after certification of the results of the election. (1937, c. 49, ss. 25, 26; c. 431; 1947, c. 1084, ss. 1, 2, 4; 1951, c. 999, ss. 1, 2; 1957, c. 816; 1963, c. 265, ss. 1-3; 1965, c. 506; 1969, c. 647, s. 1; 1971, c. 872, s. 1; 1973, cc. 32, 33; 1977, c. 149, s. 1; c. 182, s. 2; 1977, 2nd Sess., c. 1138, s. 15; 1979, c. 140, ss. 2, 3; c. 609, s. 1; c. 683, s. 13; 1979, 2nd Sess., c. 1174; 1981, c. 412, s. 2; 1993, c. 415, s. 29; 2003-218, s. 2; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1.)

§ 18B-605. Local act elections.

If a jurisdiction has lawfully voted in favor of ABC stores or in favor of the sale of some kind of alcoholic beverage, and the jurisdiction would not be eligible to hold another election under the conditions set by G.S. 18B-600, then that jurisdiction may continue to hold elections as though qualified under G.S. 18B-600. Except for the authority to hold the election, however, the procedures of this Chapter shall apply to any subsequent election. (1981, c. 412, s. 2; 1983, c. 457, s. 4.)

§§ 18B-606 through 18B-699. Reserved for future codification purposes.

Article 7.

Local ABC Boards.

§ 18B-700. Appointment and organization of local ABC boards.

(a) Membership. – A local ABC board shall consist of three or five members appointed for three-year terms unless the board is a board for a merged ABC system under G.S. 18B-703 and a different size membership has been provided for as part of the negotiated merger. If the board is a three-member board, one member of the initial board of a newly created ABC system shall be appointed for a three-year term, one member for a two-year term, and one member for a one-year term. If the board is a five-member board, one member of the initial board of a newly created ABC system shall be appointed for a three-year term, two members for two-year terms, and two members for one-year terms. As the terms of initial board members expire, their successors shall each be appointed for three-year terms. If a board is initially a three-member board and the appointing authority determines a five-member board is preferable, the terms of the two new members shall be for three years. If a local board has five members and the appointing authority determines a three-member board is preferable, the appointing authority shall not reduce the size of the board except upon the expiration of a member's term and only with the approval of the Commission. The appointing authority shall designate one member of the local board as chairman.

(a1) Mission. – The mission of local ABC boards and their employees shall be to serve their localities responsibly by controlling the sale of spirituous liquor and promoting customer-friendly, modern, and efficient stores.

(b) City Boards. – City ABC board members shall be appointed by the city governing body, unless a different method of appointment is provided in a local act enacted before the effective date of this Chapter.

(c) County Boards. – County ABC board members shall be appointed by the board of county commissioners, unless a different method of appointment is provided in a local act enacted before the effective date of this Chapter.

(c1) Limit on Creation of New Boards. – Notwithstanding any provision of law to the contrary, no new local board may be created in any county where a local board operates an ABC store. If a jurisdiction holds an ABC store election under G.S. 18B-602(g), the establishment of ABC stores is approved, and the jurisdiction is located in a county where a local board is already in operation, the jurisdiction that held the election shall enter into an agreement with an existing local board to create a merged local board in accordance with G.S. 18B-703. Nothing in this subsection shall be construed as prohibiting a local board from serving multiple cities, counties, or cities and counties.

(d) Qualifications. – The appointing authority shall appoint members of a local board on the basis of the appointees' interest in public affairs, good judgment, knowledge, ability, and good moral character.

(e) Vacancy. – A vacancy on a local board shall be filled by the appointing authority for the remainder of the unexpired term. If the chairman's seat becomes vacant, the appointing authority may designate either the new member or an existing member of the local board to complete the chairman's term.

(f) Removal. – A member of a local board may be removed for cause at any time by the appointing authority. Local board members are subject to the removal provisions of G.S. 18B-202.

(g) Compensation of Board Members. – A local board member shall receive compensation in an amount not to exceed one hundred fifty dollars ($150.00) per board meeting unless a different level of monetary compensation is approved by the appointing authority. If a different level is approved by the appointing authority, the appointing authority shall notify the Commission of the approved level of compensation in writing. Any change in compensation approved by the appointing authority shall be reported to the Commission in writing within 30 days of the effective date of the change. No local board member shall receive any nonmonetary compensation or benefits unless specifically authorized by this section.

(g1) **(See Editor's note for applicability)** Compensation of General Managers of Local Boards. – The salary authorized for the general manager, as defined in G.S. 18B-101, of a local board shall not exceed the salary authorized by the General Assembly for the clerk of superior court of the county in which the appointing authority was originally incorporated unless such compensation is otherwise approved by the appointing authority. The local board shall provide the appointing authority's written confirmation of such approval to the Commission. Any change in compensation approved by the appointing authority shall be reported to the Commission in writing within 30 days of the effective date of the change. The general manager of a local board may receive any other benefits to which all employees of the local board are entitled. The salary authorized for other employees of a local board may not exceed that of the general manager.

(g2) Travel Allowance and Per Diem Rates. – Approved travel on official business by the members and employees of local boards shall be reimbursed pursuant to G.S. 138-6 unless the local board adopts a travel policy that conforms to the travel policy of the appointing authority and such policy is approved by the appointing authority. The local board shall annually provide the appointing authority's written confirmation of such approval to the Commission and a copy of the travel policy authorized by the appointing authority. Any excess expenses not covered by the local board's travel policy shall only be paid with the written authorization of the appointing authority's finance officer. A copy of the written authorization for excess expenses shall be submitted to the Commission by the local board within 30 days of approval.

(h) Conflict of Interest. – The provisions of G.S. 18B-201 shall apply to local board members and employees.

(i) Bond. – Each local board member and the employees designated as the general manager and finance officer of the local board shall be bonded in an amount not less than fifty thousand dollars ($50,000) secured by a corporate surety, for the faithful performance of his duties. A public employees' blanket position bond in the required amount satisfies the requirements of this subsection. The bond shall be payable to the local board and shall be approved by the appointing authority for the local board. The appointing authority may increase the amount of the bond required for any member or employee who handles board funds.

(j) Limited Liability. – A person serving as a member of a local ABC board shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of this service, except where the person:

(1) Was not acting within the scope of his official duties;
(2) Was not acting in good faith;
(3) Committed gross negligence or willful or wanton misconduct that resulted in the damage or injury;
(4) Derived an improper personal financial benefit from the transaction; or
(5) Incurred the liability from the operation of a motor vehicle.

The immunity in this subsection is personal to the members of local ABC boards, and does not immunize the local ABC board for liability for the acts or omissions of the members of the local ABC board.

(k) **(See Editor's note for applicability)** Nepotism. – Members of an immediate family shall not be employed within the local board if such employment will result in one member of the immediate family supervising another member of the immediate family, or if one member of the immediate family will occupy a position which has influence over another member's employment, promotion, salary administration, or other related management or personnel considerations. This subsection applies to local board members and employees.

For the purpose of this subsection, the term "immediate family" includes wife, husband, mother, father, brother, sister, son, daughter, grandmother, grandfather, grandson, and granddaughter. Also included are the step-, half-, and in-law relationships. It also includes other people living in the same household, who share a relationship comparable to immediate family members, if either occupies a position which requires influence over the other's employment, promotion, salary administration, or other related management or personnel considerations.

(*l*) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards. (1981, c. 412, s. 2; c. 747, s. 50; 1981 (Reg. Sess., 1982), c. 1262, s. 10; 1989, c. 800, s. 19; 2010-122, ss. 9-16; 2019-182, s. 16(b).)

§ 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.

(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.

(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. (1937, c. 49, ss. 10, 12; cc. 411, 431; 1939, c. 98; 1957, cc. 1006, 1334; 1963, c. 1119, s. 2; 1967, c. 1178; 1969, cc. 118, 902; 1971, c. 872, s. 1; 1973, cc. 85, 185; c. 1000, ss. 1, 2; 1977, c. 618; 1979, c. 467, s. 20; c. 617; 1981, c. 412, s. 2; 2010-122, s. 17; 2011-284, s. 13; 2019-182, s. 25(a); 2021-150, s. 30.2; 2022-44, s. 3(m); 2024-41, ss. 30(a), 37(a).)

§ 18B-702. Financial operations of local boards.

(a) Generally. – A local board may transact business as a corporate body, except as limited by this section. A local board shall not be considered a public authority under G.S. 159-7(b)(10).

(b) Budget Officer. – The general manager of the local board shall be the budget officer for the local board. In the absence of a general manager, a local board may impose the duties of budget officer on the chairman or any member of the local board or any other employee of the board.

(c) Annual Balanced Budget. – Each local board shall operate under an annual balanced budget administered in accordance with this section. A budget is balanced when the sum of estimated gross revenues and both restricted and unrestricted funds are equal to appropriations. Expenditures shall not exceed the amount of funds received or in reserve for the purpose to which the funds are appropriated. It is the intent of this section that all monies received and expended by a local board should be included in the budget. Therefore, notwithstanding any other provision of law, no local board may expend any monies, regardless of their source, except in accordance with a

budget adopted under this section. The budget of a local board shall cover a fiscal year beginning July 1 and ending June 30.

(d) Preparation and Submission of Budget and Budget Message. – Upon receipt of the budget requests and revenue estimates and the financial information supplied by the finance officer, the budget officer shall prepare a budget for consideration by the local board in such form and detail as may have been prescribed by the budget officer or the local board. The budget, together with a budget message, shall be submitted to the local board, the appointing authority, and the Commission not later than June 1. The budget and budget message should, but need not, be submitted at a formal meeting of the board. The budget message should contain a concise explanation of the goals fixed by the budget for the budget year, explain important features of the activities anticipated in the budget, set forth the reasons for stated changes from the previous year in appropriation levels, and explain any major changes in fiscal policy.

(e) Filing and Publication of the Budget. – On the same day the budget officer submits the budget to the local board, the budget officer shall make a copy for public inspection, and it shall remain available for public inspection until the budget is adopted. The budget officer shall make a copy of the budget available to all news media in the county. The budget officer shall also publish a statement that the budget has been submitted to the local board and is available for public inspection in the office of the general manager of the local board. The statement shall also give notice of the time and place of the budget hearing required by subsection (f) of this section.

(f) Budget Hearings. – Before adopting the budget, the board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear.

(g) Adoption of Budget. – Not earlier than 10 days after the day the budget is presented to the board and not later than July 1, the local board shall adopt a budget making appropriations for the budget year in such sums as the board may consider sufficient and proper, whether greater or less than the sums recommended in the budget. The budget shall authorize all financial transactions of the local board. The budget may be in any form that the board considers most efficient in enabling it to make the fiscal policy decisions embodied therein, but it shall make appropriations by department, function, or project and show revenues by major source. The following directions and limitations shall bind the local board in adopting the budget:

(1) The full amount estimated by the finance officer to be required for debt service during the budget year shall be appropriated.

(2) The full amount of any deficit in each fund shall be appropriated.

(3) Working capital funds set aside pursuant to G.S. 18B-805 shall be established by rule of the Commission. "Working capital" means the total of cash, investments, and inventory less all unsecured liabilities. Gross sales means gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), (4), and (5). Any expenditure to be charged against working capital funds shall be authorized by resolution of the local board, which resolution shall be deemed an amendment to the budget setting up an appropriation for the object of expenditure authorized. The local board may authorize the budget officer to authorize expenditures from working capital funds subject to such limitations and procedures as it may prescribe. Any such expenditure shall be deemed an amendment and reported to the board at its next regular meeting and recorded in the minutes.

(4) Estimated revenues shall include only those revenues reasonably expected to be realized in the budget year.

(5) Sufficient funds to meet the amounts to be paid during the fiscal year under continuing contracts previously entered into shall be appropriated unless such contract reserves to the local board the right to limit or not to make such appropriation.

(6) The sum of estimated net revenues and appropriated fund balance in each fund shall be equal to appropriations in that fund. Appropriated fund balance in a fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year.

The budget shall be entered in the minutes of the local board and within five days after adoption, and copies thereof shall be filed with the finance officer, the budget officer, the appointing authority, and the Commission.

(h) Amendments to the Budget. – Except as otherwise restricted by law, the local board may amend the budget at any time after adoption, in any manner, so long as the budget, as amended, continues to satisfy the requirements of this section. The local board by appropriate resolution may authorize the budget officer to transfer monies from one appropriation to another within the same fund subject to such limitations and procedures as it may prescribe. Any such transfers shall be reported to the local board at its next regular meeting and shall be entered in the minutes. Amendments to the adopted budget shall also be provided to the appointing authority and the Commission.

(i) Interim Budget. – In case the adoption of the budget is delayed until after July 1, the local board shall make interim appropriations for the purpose of paying salaries, debt service payments, and the usual ordinary expenses of the local board for the interval between the beginning of the budget year and the adoption of the budget. Interim appropriations so made shall be charged to the proper appropriations in the adopted budget.

(j) Finance Officer. – Except as otherwise provided, the local board shall designate (i) a part-time or full-time employee of the board other than the general manager or (ii) the finance officer of the appointing authority with consent of the appointing authority to be the finance officer for the local board. The Commission, for good cause shown, may grant a waiver to allow the general manager of a board also to be the finance officer. Good cause includes, but is not limited to, the fact that the board operates no more than two stores, and any approval for the general manager also to be the finance officer shall apply until the board operates more than two stores; in any event, the approval shall be effective for 36 months. The Commission may grant one or more waivers to a board.

(k) Duties and Powers of the Finance Officer. – The finance officer for a local board shall:

(1) Keep the accounts of the local board in accordance with generally accepted principles of governmental accounting and the rules and regulations of the Commission.

(2) Disburse all funds of the local board in strict compliance with this Chapter, the budget, preaudit obligations, and disbursements as required by this section.

(3) As often as may be requested by the local board or the general manager, prepare and file with the board a statement of the financial condition of the local board.

(4) Receive and deposit all monies accruing to the local board, or supervise the receipt and deposit of money by other duly authorized employees.

(5) Maintain all records concerning the debt and other obligations of the local board, determine the amount of money that will be required for debt service or the payment of other obligations during each fiscal year, and maintain all funds.
(6) Supervise the investment of idle funds of the local board pursuant to subsection (t) of this section.

The finance officer shall perform such other duties as may be assigned by law, by the general manager, budget officer, or local board, or by rules and regulations of the Commission.

(l) Accounting System. – Each local board shall establish and maintain an accounting system designed to show in detail its assets, liabilities, equities, revenues, and expenditures. The system shall also be designed to show appropriations and estimated revenues as established in the budget originally adopted and subsequently amended.

(m) Incurring Obligations. – No obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget unless the budget includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. No obligation may be incurred for a capital project unless the budget authorizes the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction. If an obligation is evidenced by a contract or agreement requiring the payment of money or by a purchase order for supplies and materials, the contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with this subsection. The certificate, which shall be signed by the finance officer or any deputy finance officer approved for this purpose by the local board, shall take substantially the following form:

"This instrument has been preaudited in the manner required by G.S. 18B-702.

_____

(Signature of finance officer)."

An obligation incurred in violation of this subsection is invalid and may not be enforced. The finance officer shall establish procedures to assure compliance with this subsection.

(n) Disbursements. – When a bill, invoice, or other claim against a local board is presented, the finance officer shall either approve or disapprove the necessary disbursement. If the claim involves a program, function, or activity accounted for in a fund included in the budget or a capital project or a grant project authorized by the budget, the finance officer may approve the claim only if:

(1) The finance officer determines the amount to be payable; and
(2) The budget includes an appropriation authorizing the expenditure and either (i) an encumbrance has been previously created for the transaction or (ii) an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

A bill, invoice, or other claim may not be paid unless it has been approved by the finance officer or, under subsection (o) of this section, by the local board. The finance officer shall establish procedures to assure compliance with this subsection.

(o) Local Board Approval of Bills, Invoices, or Claims. – The local board may, as permitted by this subsection, approve a bill, invoice, or other claim against the local board that has been disapproved by the finance officer. It may not approve a claim for which no appropriation appears in the budget, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The local board shall approve payment

by formal resolution stating the board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The chairman of the board or some other member designated for this purpose shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

(p) Checks or Drafts Signed by Finance Officer. – Except as otherwise provided by law, all checks or drafts on an official depository shall be signed by the finance officer or a properly designated deputy finance officer. The chairman of the local board or general manager of the local board shall countersign these checks and drafts. The Commission may waive the requirements of this subsection if the board determines that the internal control procedures of the unit or authority will be satisfactory in the absence of dual signatures.

(q) Payment of a Bill, Invoice, Salary, or Claim. – A local board may not pay a bill, invoice, salary, or other claim except by a check or draft on an official depository or by a bank wire transfer from an official depository. Except as provided in this subsection, each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the local board (or signed by the chairman or some other member of the board pursuant to subsection (o) of this section). The certificate shall take substantially the following form

"This disbursement has been approved in the manner required by G.S. 18B-702.

_____

(Signature of finance officer)."

No certificate is required on payroll checks or drafts on an imprest account in an official depository if the check or draft depositing the funds in the imprest account carried a signed certificate. No certificate is required for expenditures of fifty dollars ($50.00) or less from a petty cash fund, provided the expenditure is accounted for by a receipt for the expended item.

(r) Borrowing Money. – A local board may borrow money only for the purchase of land, buildings, equipment and stock needed for the operation of its ABC system. A local board may pledge a security interest in any real or personal property it owns other than alcoholic beverages. A city or county whose governing body appoints a local board shall not in any way be held responsible for the debts of that board.

(s) Audits. – A local board shall submit to the appointing authority and Commission an annual independent audit of its operations, performed in accordance with generally accepted accounting standards and in compliance with a chart of accounts prescribed by the Commission. The audit report shall contain a summary of the requirements of this Chapter, or of any local act applicable to that local board, concerning the distribution of profits of that board and a description of how those distributions have been made, including the names of recipients of the profits and the activities for which the funds were distributed. A local board shall also submit to any other audits and submit any reports demanded by the appointing authority or the Commission.

(t) Deposits and Investments. – A local board may deposit monies at interest in any bank or trust company in this State in the form of savings accounts or certificates of deposit. Investment deposits shall be secured as provided in G.S. 159-31(b) and the reports required by G.S. 159-33 shall be submitted. A local board may invest all or part of the cash balance of any fund as provided in G.S. 159-30(c) and (d), and may deposit any portion of those funds for investment with the State Treasurer in the same manner as State boards and commissions under G.S. 147-69.3.

(u) Compliance with Commission Rules. – The Commission shall adopt, and each local board shall comply with, fiscal control rules concerning the borrowing of money, maintenance of working capital, investments, appointment of a budget officer, appointment of a financial officer, daily deposit of funds, bonding of employees, auditing of operations, and the schedule, manner and other procedures for distribution of profits. The Commission may also adopt any other rules concerning the financial operations of local boards which are needed to assure the proper accountability of public funds. The Commission may vary these rules and regulations according to any other criteria reasonably related to the purpose or complexity of the financial operations involved. The Commission has the authority to inquire into and investigate the internal control procedures of a local board and may require any modifications in internal control procedures which, in the opinion of the Commission, are necessary or desirable to prevent embezzlements or mishandling of public monies.

(v) Penalties. – If a board member or employee of a local board incurs an obligation or pays out or causes to be paid out any funds in violation of this section, the member or employee and the sureties on the official bond are liable for any sums so committed or disbursed. If the finance officer or any properly designated deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, the finance officer and the sureties on the official bond are liable for any sums illegally committed or disbursed thereby.

(w) Applicability of Criminal Statutes. – The provisions of G.S. 14-90 and G.S. 14-254 shall apply to any person appointed to or employed by a local board, and any person convicted of a violation of G.S. 14-90 or G.S. 14-254 shall be punished as a Class H felon.

(x) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards. (1937, c. 49, ss. 10, 12; cc. 411, 431; 1939, c. 98; 1957, cc. 1006, 1335; 1963, c. 1119, s. 2; 1967, c. 1178; 1969, cc. 118, 902; 1971, c. 872, s. 1; 1973, cc. 85, 185; c. 1000, ss. 1, 2; 1977, c. 618; 1979, c. 467, s. 20; c. 617; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 11; 1991, c. 459, s. 2; 2010-122, s. 18; 2012-4, s. 2.)

§ 18B-703. Merger of local ABC operations.

(a) Conditions for Merger. – Any city governing body or board of county commissioners may merge its ABC system with the system of one or more other cities or counties if:

(1) Stores operated by the systems of those jurisdictions serve the same general area or are in close proximity to each other; and

(2) The merger is approved by the Commission.

(b) Appointment of Board. – Upon merger of ABC systems, the local boards for those systems shall be replaced by one board appointed jointly by the appointing authorities for the previous boards.

(c) Distribution of Profits. – Before merger, the cities or counties involved shall agree upon a formula for distribution of the profits of the new merged ABC system, based as closely as practicable on the distribution previously authorized for the separate systems. This formula for distribution shall be subject to approval by the Commission.

(d) Enforcement. – Local officers hired by the local ABC board for the merged ABC system shall have the same territorial jurisdiction that officers for each of the merged boards would have.

(e) Dissolution. – Except as otherwise provided in this subsection, with the approval of the Commission, the cities or counties that have merged their ABC systems may dissolve the merged operation at any time and resume their prior separate operations. A city or county that has merged

with another local board pursuant to the requirements of G.S. 18B-700(c1) may only dissolve a merged operation if one of the following applies:

(1) The city or county is merging with a different local board.

(2) The city or county is ceasing operation of all ABC stores within the city or county.

(f) Other Details Negotiated. – Issues not addressed in this section concerning the merger or dissolution of ABC systems, such as the method of appointment of the merged board, the size of the merged board, or the procedure for dissolution, may be negotiated by the affected cities and counties, subject to the approval of the Commission.

(g) Operation Follows General Law. – Except as otherwise provided in this section, the authority and operation of any local board established under this section shall be the same as for any other local board.

(h) Agreement for Joint Store Operations. – With the approval of the Commission, two or more governing bodies of counties and/or municipalities with ABC systems may enter into a written agreement whereby one or more ABC stores located within the counties and/or municipalities that are parties to the agreement shall be controlled and operated by the local ABC board specified in the agreement, even though said ABC store or stores are located outside the boundaries of the county or municipality of the local ABC board that will be operating the ABC store or stores that are subject to the agreement. The provisions of this section shall be effective as to such agreements insofar as is applicable. Issues not addressed in this section shall be negotiated by the parties, subject to the approval of the Commission. (1981, c. 412, s. 2; c. 747, s. 51; 2001-128, s. 1; 2019-182, s. 16(c).)

§ 18B-704. Removal of local board members and employees.

(a) Improper Influence. – Neither the Commission nor its individual members shall attempt to coerce any appointing authority to appoint a particular person as a member of a local board or attempt to coerce a local board to employ any particular applicant.

(b) Purpose. – This section is intended to provide a uniform system of removal for appointing authorities and the Commission.

(c) Cause for Removal. – (i) Disqualification of a local board member or employee under the law, (ii) a violation of the ABC laws, (iii) failure to complete training required by this Chapter or the Commission, or (iv) engaging in any conduct constituting moral turpitude or which brings the local board or the ABC system into disrepute is cause for the Commission to remove any member or employee of a local board. The employment or retention of any employee who is known to be disqualified under the law to hold a position with a local board is cause for the Commission to remove the board members involved.

(d) Removal Process. – The Commission or appointing authority shall provide, in writing, to the local board member or employee the findings of fact upon which the decision for removal is based. The Commission or appointing authority shall also provide the local board member or employee with notice of the availability of a hearing before the Commission to review the removal.

(e) Removal Hearing. – Any local board member or employee removed from office or discharged by the Commission or the appointing authority may request a hearing before the Commission. Such a request operates to stay the action of the Commission or the appointing authority with regard to the matter until after the hearing, unless the Commission finds that the public interest requires immediate action. At the hearing, the employee or the employee's counsel may examine all evidence used against the employee and present evidence in the employee's own

behalf. A removal hearing is not subject to the provisions of Chapter 150B of the General Statutes. All hearings shall be conducted informally and in such manner as to preserve the substantial rights of the parties.

(f) Hearing Procedure. – The Commission shall hold the hearing required by subsection (e) of this section within 15 days of the member's or employee's request for a hearing. The standard of review by the Commission is de novo. The Commission or appointing authority shall be represented by a Commission hearing officer. The Commission shall discharge the member or employee if two-thirds of the Commission's members vote for removal. The Commission shall make findings of fact. The Commission may adopt the findings of fact of the Commission or the appointing authority, may add new findings of fact to the original findings of fact, or may substitute new findings of fact for the original findings of fact. The Commission shall make conclusions of law and shall issue a written decision to the member or employee of the local board, and to the appointing authority, within 15 days of the hearing.

(g) Commission Authority. – The Commission shall have the sole power, in its discretion, to determine if cause exists for removal of a local board member or employee who has requested a hearing before the Commission. The Commission's decision in a removal hearing is final.

(h) Appeal. – A local board member or employee may appeal the Commission's final decision to the Court of Appeals. The standard of review for an appeal shall be abuse of discretion. The sole remedy for a local board member or employee shall be the reinstatement of the board member or employee to the local board with back pay. All awards for back pay shall be paid by the local board from which the board member or employee was removed.

(i) Removal Hearing Not a Substitute for Termination of Employee. – Nothing in this section replaces or is intended to replace a local board's policy regarding the termination of an employee for personnel reasons. The removal process under this section is reserved solely for the appointing authority or the Commission to remove a board member or employee for cause.

(j) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards. (2010-122, s. 19.)

§ 18B-705. Compliance with performance standards; remedies.

(a) Local Board Compliance. – The Commission shall establish performance standards pursuant to G.S. 18B-203(a)(20). The Commission shall ensure that all local boards comply with established performance standards by conducting regular or special audits, conducting performance evaluations, or taking other measures, which may include inspections by Commission auditors or alcohol law enforcement agents.

(b) Performance Improvement Plans. – The Commission, upon determining that a local board is failing to meet performance standards established pursuant to G.S. 18B-203(a)(20), shall meet with the chair of the local board and the appointing authority and issue a statement of findings. The appointing authority, in consultation with the Commission and the local board, shall develop and deliver a performance improvement plan to the local board within 60 days of the meeting with the Commission. The performance improvement plan shall include, but not be limited to, recommendations for improved performance based on the performance standards established by the Commission. The plan shall also state a period of time in which the performance improvements are to occur and what action will be taken by the Commission if performance standards are not met within the given time limits. The appointing authority shall allow up to, but no more than, 12 months' time to the local board to implement and show improvement under the performance improvement plan. The local appointing authority, in consultation with the

Commission and upon good cause shown, may allow up to an additional six-month period of time for the local board to meet all requirements in the performance improvement plan and to establish that the performance standards established by the Commission are met.

(c) Remedies. – If the Commission determines that the established performance standards identified in the statement of findings cannot be met after a performance improvement plan has been implemented and adequate time has been given, but in no case less than 12 months, the Commission shall take appropriate action to avoid insolvency. This action may include closing the board pursuant to G.S. 18B-801(d), closing a store or multiple stores, or merging the local board with another local board in order to maintain solvency. The Commission may also seize the assets of the local board and liquidate any assets necessary to satisfy any debt in order to maintain the solvency of the local board. Prior to taking action pursuant to this subsection, the Commission shall issue a notice of intent to take such action to the appointing authority and the local board.

(d) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards. (2010-122, s. 20.)

§ 18B-706. Ethics requirements for local boards.

(a) Each local board shall adopt a policy containing a code of ethics, consistent with the provisions of G.S. 18B-201, to guide actions by the local board members and employees of the local board in the performance of their official duties. The policy shall address at least all of the following:

(1) The need to obey all applicable laws regarding official actions taken as a local board member or employee.
(2) The need to uphold the integrity and independence of the local board member or employee's position.
(3) The need to avoid impropriety in the exercise of official duties.
(4) The need to faithfully perform the duties of the position.
(5) The need to conduct the affairs of the board in an open and public manner, including complying with all applicable laws governing open meetings and public records.

(b) Each member of a local board shall receive a minimum of two hours of ethics education within 12 months after initial appointment to the office and again within 12 months after each subsequent appointment to the office. The ethics education shall cover laws and principles that govern conflicts of interest and ethical standards of conduct for local ABC boards. The education may be provided by the Commission or another qualified source approved by the Commission. The local board shall maintain a record verifying receipt of the ethics education by each member of the local board. The local board may require appropriate ethics training and education for employees of the local ABC board.

(c) The Commission shall develop a model ethics policy that local ABC boards may adopt to be in compliance with this section. (2010-122, s. 21.)

§ 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. (2024-41, s. 2(b).)

§ 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. (2024-41, s. 10.)

Article 8.

Operation of ABC Stores.

§ 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.

(c) Commission Approval. – No ABC store may sell any alcoholic beverage which has not been approved by the Commission for sale in this State.

(c1) Special Orders of Special Items. – Through the process established by rule of the Commission for special orders of spirituous liquor that are on the special item list approved by the Commission, ABC stores shall allow the purchase of individual bottles of spirituous liquor. ABC stores may sell in store any bottles it receives from a special item case in excess of what was purchased by the requesting customer. Bottles purchased pursuant to this subsection may be affixed with personalized labeling by the manufacturer, distiller, broker, or supplier of spirituous liquor. The personalized labeling shall comply with any other labeling requirements set by law. The personalized labeling shall not cover any portion of the manufacturer's original label. For purposes of this subsection, the term "personalized labeling" means the inclusion of any of the following on the label:

(1) The name of the purchaser of the bottle or the name of any individual, business entity, club, ABC Board, or ABC store on whose behalf the bottle is purchased.
(2) "Bottled for," "distilled for," "in honor of," or other similar language.
(3) Dates, locations, occasions, and other similar information.

(c2) Orders of Eligible Distillery Products by Mixed Beverages Permittees. – A local board shall fulfill an order by a mixed beverages permittee for individual bottles or cases of spirituous liquor produced by an eligible distillery that are listed as a regular code item for sale in the State. If a local board cannot fulfill an order of a mixed beverages permittee for individual bottles or cases of spirituous liquor produced by an eligible distillery that are listed as a regular code item for sale in the State because the product ordered is not in the local board's stock inventory or the order cannot otherwise be fulfilled within the time period requested by the permittee, the local board shall notify the Commission within 48 hours of the request for the order and request authorization for direct shipment. The Commission shall then determine if the eligible distillery desires to directly ship the ordered product directly to the local board, and if so the Commission shall authorize the eligible distillery to ship the spirituous liquor ordered to the local board for the fulfillment of the mixed beverages permittee's order. Merchandise authorized to be shipped by direct shipment under this subsection shall be consigned by the State ABC warehouse to the distiller's account in care of the local board. The local board shall acknowledge receipt of the merchandise on the shipping documents and forward them to the State ABC warehouse for processing through the accounting system as though the merchandise were shipped from the State ABC warehouse. As used in this subsection, an "eligible distillery" is a distillery (i) that sells, to consumers at the distillery, to exporters, to local boards, and to private or public agencies or establishments of other states or nations, fewer than 10,000 proof gallons of in-house brand spirituous liquors distilled or produced and manufactured by it at the permit holder's distillery per year, and (ii) that is either the holder of a distillery permit pursuant to G.S. 18B-1105 or is a business located outside the State that is licensed or permitted to manufacture spirituous liquor in the jurisdiction where the business is located and whose products are lawfully sold in this State.

(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 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.

(c4) Refrigerated Beverages. – ABC stores may sell alcoholic beverages authorized for sale under this section in a refrigerated unit. For purposes of this subsection, the term "refrigerated unit" means a refrigerated merchandiser or other appliance that is artificially kept cool and suitable to be used to store food and drink.

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

(d) Expired.

(e) Each ABC store shall display spirits which are distilled or produced in North Carolina in an area dedicated solely to North Carolina products. (1981, c. 412, s. 2; 1985, c. 59, s. 1; 1989, c. 800, s. 21; 2004-135, s. 4; 2010-31, s. 14.12(a); 2015-98, s. 4(f); 2017-87, s. 1(c); 2019-182, s. 3(a); 2021-117, s. 12(a); 2021-150, ss. 1.1, 1.2, 2.1, 15.1; 2022-51, s. 1(b); 2024-41, ss. 9(a), 37(b).)

§ 18B-801. Location, opening, and closing of stores.

(a) Number of Stores. – Each local board shall have the authority and duty to operate one ABC store. Additional stores may be operated with the approval of the Commission.

(b) Location of Stores. – A local board may choose the location of the ABC stores within its jurisdiction, subject to the approval of the Commission. In making its decision on a location, the Commission may consider:

(1) Whether the health, safety, or general welfare of the community will be adversely affected.

(2) Whether the citizens of the community or city in which the proposed store is to be located voted for or against ABC stores in the last election on the question.

(3) The proximity of the new location to existing ABC stores operated by the local board or any other board.

(b1) Notwithstanding subsection (b) of this section, no local board may establish an ABC store at any location within the corporate limits of a municipality if the governing body of the municipality has passed a resolution objecting to the location of the proposed ABC store and the resolution is based upon information and evidence presented to the governing body of the municipality at a public hearing. If a municipality objects to the location of a proposed ABC store, the local board may request the Commission to approve the proposed ABC store location notwithstanding the objection of the municipality. The Commission shall have final authority to determine if the operation of an ABC store at the contested proposed location is suitable.

Upon notice given to the Commission by an affected municipality, any statutory and administrative time limits allowed for objections to, or public hearings concerning the location of,

an ABC store shall be extended by 45 days to allow a municipality sufficient time to conduct a public hearing and submit its objection and resolution to the Commission.

(c) Closing of Stores. – Subject to the provisions of subsection (a) of this section, a local board may close a store, or the Commission may order a local board to close any store when the local board or the Commission determines that:

(1) Repealed by Session Laws 2010-122, s. 23, effective October 1, 2010.

(2) The store is not operated in accordance with the ABC law; or

(3) The continued operation of that store will adversely affect the health, safety, or general welfare of the community in which the store operates.

(d) Insolvent ABC System. – If an ABC system is insolvent, the local board may apply to the Commission for an order to close the system. Upon receipt of an application, or upon its own motion, the Commission shall investigate the system, and if it finds that further operation of the ABC stores will not be profitable, it may order the system closed. If the Commission orders a local system to close, the Commission may:

(1) After consultation with the local board, its creditors, and other interested parties, schedule a phase out of the system's business activities;

(2) Represent the local board in negotiations with creditors and other interested parties;

(3) Require an accounting or auditing of the local system;

(4) Take possession or arrange for the disposition of any liquor for which the local board has not paid;

(5) Apply to the Superior Court to be appointed as receiver for the local board with all powers and duties of a receiver for a corporation under Article 38 of Chapter 1 of the General Statutes, except that the Commission shall not be required to post the bond required by G.S. 1-504; or

(6) Take any other reasonable steps to promote an orderly closing of the system. (1981, c. 412, s. 2; 1987, c. 135; 1989, c. 770, s. 6; 2009-36, s. 1; 2010-122, ss. 22, 23.)

§ 18B-802. When stores operate.

(a) Time. – No ABC store shall be open, and no ABC store employee shall sell alcoholic beverages, between 9:00 P.M. and 9:00 A.M. The local board shall otherwise determine opening and closing hours of its stores.

(b) Days. – No ABC store shall be open, and no ABC store employee shall sell alcoholic beverages, on any Sunday, Thanksgiving Day, or Christmas Day. A local board may otherwise determine the days on which its stores shall be closed. (1981, c. 412, s. 2; 2024-41, s. 3.)

§ 18B-803. Store management.

(a) Manager. – A local board shall provide for the management of each store operated by it. The board shall employ at least one manager for each store, who shall operate the store pursuant to the directions of that board.

(b) Bonding of Manager. – Each store manager shall be bonded in an amount not less than fifty thousand dollars ($50,000) secured by a corporate surety, for the honest performance of his duties. A public employees' blanket position bond, honesty form, in the required amount satisfies the requirements of this subsection. The bond shall be payable to the local board and shall be

approved by the appointing authority for the local board. The appointing authority may increase the amount of bond required for store managers under this subsection.

(c) Bonding of Other Employees. – A local board or the appointing authority may require any of its other employees who handle funds to obtain bonds. The amount and form of those bonds shall be determined by the local board.

(d) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards. (1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 12; 2010-122, s. 24.)

§ 18B-804. Alcoholic beverage pricing.

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

(b) Sale Price of Spirituous Liquor. – The sale of spirituous liquor, including antique spirituous liquor, sold at the uniform State price shall consist of the following components:

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

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

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

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

(5) An additional markup for local boards equal to three and one-half percent (3 ½%) of the sum of subdivisions (1), (2), and (3).

(6) A charge of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters. For any nonbottled product, a charge of one cent (1¢) on each stock keeping unit containing not more than 50 milliliters and five cents (5¢) on each stock keeping unit containing more than 50 milliliters.

(6a) The bailment surcharge.

(6b) An additional charge for local boards of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters. For any nonbottled product, a charge of one cent (1¢) on each stock keeping unit containing not more than 50 milliliters and five cents (5¢) on each stock keeping unit containing more than 50 milliliters.

(7) A rounding adjustment, the formula of which may be determined by the Commission, so that the sale price will be divisible by five. The rounding adjustment to the total transaction amount under G.S. 18B-804A has no effect on the uniform State price calculated in accordance with this section.

(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.

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

(b1) Price of Spirituous Liquor Sold at 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 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.

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

(d) Repealed by Session Laws 1985, c. 59, s. 2. (1937, c. 49, s. 4; cc. 237, 411; 1945, c. 954; 1949, c. 974, s. 9; 1961, c. 956; 1963, c. 426, s. 12; c. 916, s. 2; c. 1119, s. 1; 1965, c. 1063; c. 1102, s. 3; 1967, c. 222, s. 2; c. 1240, s. 1; 1971, c. 872, s. 1; 1973, c. 28; c. 473, s. 1; c. 476, s. 133; c. 606; c. 1288, s. 1; cc. 1369, 1396; 1975, cc. 240, 453, 640; 1977, c. 70, ss. 15.1, 15.2, 16; c. 176, ss. 2, 6; 1977, 2nd Sess., c. 1138, ss. 3, 4, 18; 1979, c. 384, s. 1; c. 445, s. 5; c. 482; c. 801, s. 4; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1285, s. 5; 1983, c. 713, ss. 100, 101; 1985, c. 59, s. 2; c. 68, s. 1; c. 114, ss. 7-9; 1991, c. 565, ss. 4, 7; c. 689, ss. 304, 305; 1991 (Reg. Sess., 1992), c. 920, s. 3; 2015-98, ss. 1(e), 4(g); 2015-262, s. 3(b); 2017-87, s. 1(b); 2021-150, s. 27.3; 2024-41, ss. 1(b), 17(c), 20(b); 2026-31, s. 14(d).)

§ 18B-804.1 Rounding of transactions.

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

(1) Cash. – As defined in 12 U.S.C. § 4001.

(2) Total transaction amount. – The final amount due from the customer, including all applicable taxes and fees.

(b) **(Effective until July 1, 2027)** Application. – If the one-cent piece is no longer in production, an ABC store may round the total transaction amount to the nearest five-cent interval in lieu of calculating the total transaction amount to the nearest one-cent interval. An ABC store that rounds transactions must do so in accordance with this section. The following principles apply under this section:

(1) The hundredths place is used to determine the cents in which the final digit of the total transaction amount ends.

(2) Rounding to the nearest five-cent interval does not apply to a transaction for which payment is made by a noncash method, including electronic funds transfer, check, gift card, money order, credit card, debit card, electronic payment, or other noncash payment method. In a mixed tender transaction, rounding applies only to the portion of the transaction paid in cash.

(3) Funds derived from rounding up transactions by an ABC store are treated as gross receipts and shall be distributed in accordance with G.S. 18B-805.

(b) **(Effective July 1, 2027)** Application. – If the one-cent piece is no longer in production, an ABC store shall, in accordance with this section, round the total transaction amount to the nearest five-cent interval in lieu of calculating the total transaction amount to the nearest one-cent interval. The following principles apply under this section:

(1) The hundredths place is used to determine the cents in which the final digit of the total transaction amount ends.

(2) Rounding to the nearest five-cent interval does not apply to a transaction for which payment is made by a noncash method, including electronic funds

transfer, check, gift card, money order, credit card, debit card, electronic payment, or other noncash payment method. In a mixed tender transaction, rounding applies only to the portion of the transaction paid in cash.

(3) Funds derived from rounding up transactions by an ABC store are treated as gross receipts and shall be distributed in accordance with G.S. 18B-805.

(c) Rounding Methodology. – An entity that rounds a cash transaction as permitted by this section must use the following methodology:

(1) Rounding down. – If the final digit of the total transaction amount of a cash transaction ends in one cent, two cents, six cents, or seven cents, the final digit must be rounded down to the nearest five-cent interval.

(2) Rounding up. – If the final digit of the total transaction amount of a cash transaction ends in three cents, four cents, eight cents, or nine cents, the final digit must be rounded up to the nearest five-cent interval.

(3) No rounding. – If the final digit of the total transaction amount of a cash transaction ends in zero cents or five cents, the final digit may not be rounded up or down.

(d) No Effect on Sales Price or Sales Tax. – Rounding to the nearest five-cent interval under this section does not alter the uniform State sales price, the amount of tax owed or collected under Article 5 of Chapter 105 of the General Statutes, or any surcharges, assessments, or fees imposed on the sale. This section does not affect the rounding rule in G.S. 105-164.10 for computing the sales tax due in a transaction and does not relieve ABC stores from the duty to calculate sales tax in accordance with G.S. 105-164.10 and remit to the Department of Revenue the exact amount of sales tax shown on an invoice or receipt. Nothing in this section authorizes the rounding of the amount of sales tax due.

(e) No Civil Cause of Action. – There is no civil cause of action against an ABC store based on a rounding adjustment done in accordance with this section. (2026-31, s. 14(b).)

§ 18B-805. Distribution of revenue.

(a) Gross Receipts. – As used in this section, "gross receipts" means all revenue of a local board, including proceeds from the sale of alcoholic beverages, investments, interest on deposits, rounding adjustments made under G.S. 18B-804.1, and any other source. Rounding adjustments made pursuant to G.S. 18B-804.1 are disregarded for purposes of calculating distributions under subsections (b) and (c) of this section.

(b) Primary Distribution. – Before making any other distribution, a local board shall first pay the following from its gross receipts:

(1) The board shall pay the expenses, including salaries, of operating the local ABC system.

(2) Each month the local board shall pay to the Department of Revenue the taxes due the Department. In addition to the taxes levied under Chapter 105 of the General Statutes, the local board shall pay to the Department one-half of both the mixed beverages surcharge required by G.S. 18B-804(b)(8) and the guest room cabinet surcharge required by G.S. 18B-804(b)(9).

(3) Each month the local board shall pay to the Department of Health and Human Services five percent (5%) of both the mixed beverages surcharge required by G.S. 18B-804(b)(8) and the guest room cabinet surcharge required by G.S. 18B-804(b)(9). The Department of Health and Human Services shall

spend those funds for the treatment of alcoholism or substance abuse, or for research or education on alcohol or substance abuse.

(4) Each month the local board shall pay to the county commissioners of the county where the charge is collected the proceeds from the charge required by G.S. 18B-804(b)(6), to be spent by the county commissioners for the purposes stated in subsection (h) of this section.

(c) Other Statutory Distributions. – After making the distributions required by subsection (b), a local board shall make the following quarterly distributions from the remaining gross receipts.

(1) Before making any other distribution under this subsection, the local board shall set aside the clear proceeds of the three and one-half percent (3 ½%) markup provided for in G.S. 18B-804(b)(5) and the charge provided for in G.S. 18B-804(b)(6b), to be distributed as part of the remaining gross receipts under subsection (e) of this section.

(2) The local board shall spend for law enforcement an amount set by the board which shall be at least five percent (5%) of the gross receipts remaining after the distribution required by subdivision (1). The local board may contract with the ALE Division to provide the law enforcement required by this subdivision. Notwithstanding the provisions of any local act, this provision shall apply to all local boards.

(3) The local board shall spend, or pay to the county commissioners to spend, for the purposes stated in subsection (h), an amount set by the board which shall be at least seven percent (7%) of the gross receipts remaining after the distribution required by subdivision (1). This provision shall not be applicable to a local board which is subject to a local act setting a different distribution.

(d) Working Capital. – After making the distributions provided for in subsections (b) and (c), the local board may set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system. With the approval of the appointing authority for the board, the local board may also set aside a portion of the remaining gross receipts as a fund for specific capital improvements.

(e) Other Distributions. – After making the distributions provided in subsections (b), (c), and (d), the local board shall pay each quarter the remaining gross receipts to the general fund of the city or county for which the board is established, unless some other distribution or some other schedule is provided for by law. If the governing body of each city and county receiving revenue from an ABC system agrees, those governing bodies may alter at any time the distribution to be made under this subsection or under any local act. Copies of the governing body resolutions agreeing to a new distribution formula and a copy of the approved new distribution formula shall be submitted to the Commission for review and audit purposes. If any one of the governing bodies later withdraws its consent to the change in distribution, profits shall be distributed according to the original formula, beginning with the next quarter.

(f) Surcharge Profit Shared. – When, pursuant to G.S. 18B-603(d1), spirituous liquor is bought at a city ABC store by a mixed beverages permittee for premises located outside the city, the local board operating the store at which the sale is made shall retain seventy-five percent (75%) of the local share of both the mixed beverages surcharge required by G.S. 18B-804(b)(8) and the guest room cabinet surcharge required by G.S. 18B-804(b)(9) and the remaining twenty-five

percent (25%) shall be divided equally among the local ABC boards for all other cities in the county that have authorized the sale of mixed beverages.

When, pursuant to G.S. 18B-603(e), spirituous liquor is bought at a city ABC store by a mixed beverages permittee for premises located at an airport outside the city, the local share of both the mixed beverages surcharge required by G.S. 18B-804(b)(8) and the guest room cabinet surcharge required by G.S. 18B-804(b)(9) shall be divided equally among the local ABC boards for all cities in the county that have authorized the sale of mixed beverages.

(g) Quarterly Distributions. – When this section requires a distribution to be made quarterly, at least ninety percent (90%) of the estimated distribution shall be paid to the recipient by the local board within 30 days of the end of that quarter. Adjustments in the amount to be distributed resulting from the closing of the books and from audit shall be made with the next quarterly payment.

(h) Expenditure of Alcoholism Funds. – Funds distributed under subdivisions (b)(4) and (c)(3) of this section shall be spent for the treatment of alcoholism or substance abuse, or for research or education on alcohol or substance abuse. The minutes of the board of county commissioners or local board spending funds allocated under this subsection shall describe the activity for which the funds are to be spent. Any agency or person receiving funds from the county commissioners or local board under this subsection shall submit an annual report to the board of county commissioners or local board from which funds were received, describing how the funds were spent.

(i) Calculation of Statutory Distributions When Liquor Sold at Less Than Uniform Price. – If a local board sells liquor at less than the uniform State price, distributions required by subsections (b) and (c) shall be calculated as though the liquor was sold at the uniform price. (1981, c. 412, s. 2; c. 747, s. 52; 1983, c. 713, ss. 102-104; 1985 (Reg. Sess., 1986), c. 1014, s. 116; 1991, c. 459, s. 3; c. 689, s. 306; 1991 (Reg. Sess., 1992), c. 920, s. 4; 1993, c. 415, s. 27; 1997-443, s. 11A.118(a); 1999-462, s. 8; 2011-145, s. 19.1(q); 2014-100, s. 17.1(xxx); 2019-203, s. 9(a); 2021-150, s. 27.4; 2026-31, s. 14(e).)

§ 18B-806. Damaged alcoholic beverages.

(a) Owned by Local Board. – All damaged alcoholic beverages owned by a local board shall be destroyed, given to a public or private hospital for medicinal use only, or given to the Commission.

(b) Not Owned by Local Board. – The Commission shall dispose of all damaged alcoholic beverages which are:

(1) Owned by the Commission;

(2) Damaged while in the State warehouse; or

(3) Damaged while in transit between the State warehouse and a local board.

The Commission shall dispose of the alcoholic beverages by giving them to a public or private hospital for medicinal use only, by selling them to a military installation, or by destroying them.

(c) Sale Procedure. – If damaged alcoholic beverages are sold under subsection (b), sale shall be by:

(1) Advertisement for sealed bids;

(2) Negotiated offer, advertisement and upset bids; or

(3) Exchange.

Funds derived from the sale of damaged alcoholic beverages shall be paid to the general fund of the State.

(d) Records. – Local boards and the Commission shall keep detailed records of all disposals of damaged alcoholic beverages, including brand, quantity and disposition. (1981, c. 412, s. 2.)

§ 18B-807. Rules.

The Commission may adopt rules concerning the organization and operation of self-service ABC stores, the size of ABC store signs, the display of alcoholic beverages, solicitation in and around ABC stores, and any other subject relating to the efficient operation of ABC stores. (1981, c. 412, s. 2.)

§ 18B-808. Warning signs regarding dangers of alcohol consumption during pregnancy required; posting.

(a) Each ABC store shall display or cause to be displayed warning signs that meet the requirements of this section on the store's premises to inform the public of the effects of alcohol consumption during pregnancy.

(b) The Commission shall develop the warning signs in accordance with subsection (c) of this section and provide for their distribution and replacements to local ABC boards subject to the requirement of this section. The Commission may charge a reasonable fee, not to exceed twenty-five dollars ($25.00), for each sign, including replacement signs.

(c) The signs required by this section shall:

(1) Be composed of black, capital letters printed on white paper at the minimum weight of one hundred ten pound index. The letters comprising the word "WARNING" shall be highlighted black lettering and shall be larger than all other lettering on the sign.

(2) Contain the message: "WARNING Pregnancy and alcohol do not mix. Drinking alcohol during pregnancy can cause birth defects."

(3) The size of the sign shall be at least eight and one-half inches by 14 inches.

(4) Contain a graphic depiction of the message to assist nonreaders in understanding the message. The depiction of a pregnant female shall be universal and shall not reflect a specific race or culture.

(5) Be in both English and Spanish.

(d) A local ABC board shall ensure that each ABC store manager displays the warning sign in an open and prominent place in the store within 30 days of receipt of the sign from the Commission. (2003-339, s. 2.)

§ 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 in an ABC store, provided that the total value of coolers 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. (2022-51, s. 17; 2024-41, s. 4(b).)

Article 9.

Issuance of Permits.

§ 18B-900. Qualifications for permit.

(a) Requirements. – To be eligible to receive and to hold an ABC permit, a person must satisfy all of the following requirements:

(1) Be at least 21 years old.

(2) Be a resident of North Carolina, unless any of the following apply:

a. The person is an officer, director, or stockholder of a corporate applicant or permittee and is not a manager or otherwise responsible for the day-to-day operation of the business.

b. The person has executed a power of attorney designating a qualified resident of this State to serve as attorney in fact for the purposes of receiving service of process and managing the business for which permits are sought.

c. The person is applying for a nonresident malt beverage vendor permit, a nonresident wine vendor permit, a nonresident spirituous liquor vendor permit, or a vendor representative permit.

(3) Not have been convicted of a felony within three years, and, if convicted of a felony before then, have had his or her citizenship restored.

(4) Not have been convicted of an alcoholic beverage offense within two years.

(5) Not have been convicted of a misdemeanor controlled substance offense within two years.

(6) Not have had an alcoholic beverage permit revoked within three years, except where the revocation was based solely on a permittee's failure to pay the annual registration and inspection fee required in G.S. 18B-903(b1).

(7) Not have, whether as an individual or as an officer, director, shareholder or manager of a corporate permittee, an unsatisfied outstanding final judgment that was entered against him or her in an action under Article 1A of this Chapter.

(8) Be current in filing all applicable tax returns to the State and in payment of all taxes, interest, and penalties that are collectible under G.S. 105-241.22. This subdivision does not apply to the following ABC permits:

a. Special occasion permit under G.S. 18B-1001(8).

b. Limited special occasion permit under G.S. 18B-1001(9).

c. Special one-time permit under G.S. 18B-1002.

d. Salesman permit under G.S. 18B-1111.

To avoid undue hardship, however, the Commission may decline to take action under G.S. 18B-104 against a permittee who is in violation of subdivisions (3), (4), or (5) of this subsection.

(b) Definition of Conviction. – A person has been "convicted" for the purposes of subsection (a) of this section when the person has been found guilty, or has entered a plea of guilty or nolo contendere, and judgment has been entered. A felony conviction in another jurisdiction disqualifies a person from being eligible to receive or hold an ABC permit if the conduct would also constitute a felony in North Carolina. A conviction of an alcoholic beverage offense or misdemeanor drug offense in another jurisdiction disqualifies a person from being eligible to receive or hold an ABC permit if the conduct would constitute an offense in North Carolina, unless the Commission determines that under North Carolina procedure judgment would not have been entered under the same circumstances. Revocation of a permit in another jurisdiction disqualifies a person if the conduct would be grounds for revocation in North Carolina.

(c) Who Must Qualify; Exceptions. – For an ABC permit to be issued to and held for a business, each of the following persons associated with that business must qualify under subsection (a) of this section:

(1) The owner of a sole proprietorship.
(2) Each member of a firm, association, or general partnership.
(2a) Each general partner in a limited partnership.
(2b) Each manager and any member with a twenty-five percent (25%) or greater interest in a limited liability company.
(3) Each officer, director, and owner of twenty-five percent (25%) or more of the stock of a corporation except that the requirement of subdivision (a)(1) does not apply to the officer, director, or stockholder unless he or she is a manager or is otherwise responsible for the day-to-day operation of the business.
(4) The manager of an establishment operated by a corporation.
(5) Any manager who has been empowered as attorney-in-fact for a nonresident individual or partnership.
(6) Any manager or person otherwise responsible for the day-to-day operation of the business, if none of the persons listed in subdivisions (1) through (5) of this subsection is a manager or person otherwise responsible for the day-to-day operation of the business.

(d) Manager of Off-Premises Establishment. – Although the manager of an establishment operated by a corporation and holding off-premises permits for malt beverages, unfortified wine, or fortified wine is not otherwise required to meet the requirements of this section, the manager must be at least 19 years old and must meet the requirements of subdivisions (3), (4), (5) and (6) of subsection (a) of this section.

(e) Convention Centers. – With the approval of the Commission, the manager of a convention center may contract with another person to provide food and beverages at conventions and banquets at the convention center, and that person may engage in the activities authorized by the convention center's permit, under conditions set by the Commission. The person with whom the convention center contracts must meet the qualifications of this section.

(f) Procedure to Confirm State Tax Compliance. – Upon request of the Commission, the Department of Revenue must provide information to the Commission to confirm a person's compliance with subdivision (a)(8) of this section. If the Department of Revenue notifies the Commission that a person is not in compliance, then the Commission shall not issue or renew the person's permit until the Commission receives notice from the Department of Revenue that the person is in compliance. The requirement to pay all taxes, interest, and penalties may be satisfied by an operative agreement under G.S. 105-237 covering any amounts that are collectible under G.S. 105-241.22. Chapter 150B of the General Statutes does not apply to a Commission action on issuance, suspension, or revocation of an ABC permit under subdivision (a)(8) of this section. (1949, c. 974, ss. 1, 2; 1963, c. 119; c. 426, s. 12; 1965, c. 326; 1971, c. 872, s. 1; 1973, c. 758, s. 2; c. 1012; 1975, c. 19, s. 5; 1977, c. 70, s. 19.1; c. 668, s. 3; c. 977, ss. 1, 2; 1979, c. 286, s. 4; 1981, c. 412, s. 2; c. 747, ss. 53, 54; 1981 (Reg. Sess., 1982), c. 1262, ss. 13, 14; 1983, c. 435, ss. 32, 39; 1987, c. 136, ss. 7, 8; 1993, c. 415, s. 10; 1995, c. 466, s. 6; 2004-203, s. 25(a); 2014-3, s. 10.1(a); 2019-49, s. 2; 2021-88, s. 4(b); 2021-150, s. 6.2(c).)

§ 18B-901. Issuance of permits.

(a) Who Issues. – All ABC permits shall be issued by the Commission.

(b) Notice to Local Government. – Before issuing a retail ABC permit, other than a:

(1) Special occasion permit under G.S. 18B-1001(8);
(2) Limited special occasion permit under G.S. 18B-1001(9);
(3) Temporary permit under G.S. 18B-905; or
(4) Special one-time permit under G.S. 18B-1002

for an establishment, the Commission shall give notice of the permit application to the governing body of the city in which the establishment is located. If the establishment is not inside a city, the Commission shall give notice to the governing body of the county. The Commission shall allow the local governing body 15 days from the time the notice was mailed or delivered to file written objection to the issuance of the permit. To be considered by the Commission, the objection shall state the facts upon which it is based.

(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. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1993 (Reg. Sess., 1994), c. 749, ss. 1, 2; 2005-392, ss. 2, 3; 2019-49, s. 3; 2019-182, s. 5(b); 2022-44, s. 3(n); 2024-41, s. 36(a).)

§ 18B-902. Application for permit; fees.

(a) Form. – An application for an ABC permit shall be on a form prescribed by the Commission and shall be notarized. Each person required to qualify under G.S. 18B-900(c) shall sign and swear to the application and shall submit a full set of fingerprints with the application.

(b) Investigation. – Before issuing a new permit, the Commission, with the assistance of the ALE Division, shall investigate the applicant and the premises for which the permit is requested. The Commission may request the assistance of local ABC officers in investigating applications. An applicant shall cooperate fully with the investigation.

The Department of Public Safety may provide a criminal record check to the ALE Division for a person who has applied for a permit through the Commission. The ALE Division shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The ALE Division and the Commission shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

(c) False Information. – Knowingly making a false statement in an application for an ABC permit shall be grounds for denying, suspending, revoking or taking other action against the permit as provided in G.S. 18B-104 and shall also be unlawful.

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

(1) On-premises malt beverage permit – $400.00.
(2) Off-premises malt beverage permit – $400.00.
(3) On-premises unfortified wine permit – $400.00.
(4) Off-premises unfortified wine permit – $400.00.
(5) On-premises fortified wine permit – $400.00.
(6) Off-premises fortified wine permit – $400.00.
(7) Brown-bagging permit – $400.00, unless the application is for a restaurant seating less than 50, in which case the fee shall be $200.00.
(8) Special occasion permit – $400.00.
(9) Limited special occasion permit – $50.00.
(10) Mixed beverages permit – $1,000.
(11) Culinary permit – $200.00.

(12) Unfortified winery permit – $300.00.
(13) Fortified winery permit – $300.00.
(14) Limited winery permit – $300.00.
(15) Brewery permit – $300.00.
(16) Distillery permit – $300.00.
(17) Fuel alcohol permit – $100.00.
(18) Wine importer permit – $300.00.
(19) Wine wholesaler permit – $300.00.
(20) Malt beverage importer permit – $300.00.
(21) Malt beverage wholesaler permit – $300.00.
(22) Bottler permit – $300.00.
(23) Salesman permit – $100.00.
(24) Vendor representative permit – $50.00.
(25) Nonresident malt beverage vendor permit – $100.00.
(26) Nonresident wine vendor permit – $100.00.
(27) Any special one-time permit under G.S. 18B-1002 – $50.00.
(28) Winery special event permit – $200.00.
(29) Mixed beverages catering permit – $200.00.
(30) Guest room cabinet permit – $1,000.
(31) Liquor importer/bottler permit – $500.00.
(32) Cider and vinegar manufacturer permit – $200.00.
(33) Brew on premises permit – $400.00.
(34) Wine producer permit – $300.00.
(35) Wine tasting permit – $100.00.
(36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and applicable to wine shipper permit applications submitted on or after that date.
(37) Wine shop permit – $100.00.
(38) Winemaking on premises permit – $400.00.
(39) Wine shipper packager permit – $100.00.
(40) Malt beverage special event permit – $200.00.
(41) Malt beverage tasting permit – $100.00.
(42) Spirituous liquor tasting permit – $100.00.
(43) Antique spirituous liquor permit – $100.00.
(44) Spirituous liquor special event permit – $200.00.
(45) Special auction permit – $750.00.
(46) Common area entertainment permit – $750.00.
(47) Delivery service permit – $400.00.
(48) Nonresident spirituous liquor vendor permit – $100.00.
(49) Airport central storage permit – $400.00.
(50) Common carrier vehicle permit – $1,000.
(51) Packaging and logistics permit – $300.00.
(52) Malt beverage shop permit – $100.00.
(53) Cotenant permit – $50.00.
(54) Bring your own beverage permit – $100.00.
(55) Mobile bar services permit – $500.00.
(56) Home maker special event permit – $50.00.

(e) Repealed by Session Laws 1998-95, s. 29, effective May 1, 1999.

(f) Fee Not Refundable. – The fee required by subsection (d) shall not be refunded.

(g) Fees to Treasurer. – All fees collected by the Commission under this or any other section of this Chapter shall be remitted to the State Treasurer for the General Fund.

(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. (1949, c. 974, ss. 1, 2; 1963, c. 119; c. 426, s. 12; 1965, c. 326; 1971, c. 872, s. 1; 1973, c. 758, s. 2; c. 1012; 1975, c. 19, s. 5; 1977, c. 70, s. 19.1; c. 668, s. 3; c. 977, ss. 1, 2; 1979, c. 286, s. 4; 1981, c. 412, s. 2; c. 747, ss. 55, 56; 1983, c. 713, s. 105; 1989, c. 737, s. 3; c. 800, s. 7; 1991, c. 267, s. 2; c. 565, ss. 2, 7; c. 669, s. 2; c. 689, ss. 307, 308; 1991 (Reg. Sess., 1992), c. 920, s. 5; 1993, c. 415, s. 11; 1993 (Reg. Sess., 1994), c. 745, s. 28; 1995, c. 404, s. 2; c. 466, s. 7; 1997-134, s. 3; 1997-467, s. 2; 1998-95, s. 29; 2001-262, s. 6; 2001-487, s. 49(f); 2002-147, s. 1; 2003-402, s. 1; 2005-350, s. 2(b); 2005-380, s. 1; 2006-222, s. 2.3; 2006-227, s. 3; 2007-402, s. 2(b); 2008-187, s. 6; 2009-105, s. 1; 2009-377, s. 1; 2010-31, ss. 13.1(b), 14.12(b); 2011-145, s. 19.1(q); 2014-100, s. 17.1(o), (xxx); 2015-98, s. 1(c); 2015-241, s. 14.30(u); 2017-87, s. 2(b); 2019-182, ss. 19(c), 20(b); 2019-203, s. 9(a); 2021-150, ss. 6.2(b), 19.2, 28.2; 2022-44, s. 2(a); 2024-41, ss. 15(b), 16(b), 17(a), (d), 25(b).)

§ 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.

(2) Limited special occasion permits shall be valid for 48 hours before and after the occasion for which the permit was issued.

(3) Special one-time permits issued under G.S. 18B-1002 shall be valid for the period stated on the permit.

(4) Temporary permits issued under G.S. 18B-905 shall be valid for 90 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.

(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.

(b1) Registration. – Each person holding a malt beverage, fortified wine, or unfortified wine permit issued pursuant to G.S. 18B-902(d)(1) through G.S. 18B-902(d)(6) shall register by May 1 of each year on a form provided by the Commission, in order to provide information needed by the State in enforcing this Chapter and to support the costs of that enforcement. The registration required by this subsection shall be accompanied by an annual registration and inspection fee of four hundred dollars ($400.00) for each permit held. The fee shall be paid by May 1 of each year. A registration fee shall not be refundable. Failure to pay the annual registration and inspection fee shall result in revocation of the permit.

(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).

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

a. Ownership of the establishment 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.

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.

(c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section shall be construed to limit alternating proprietorships in which the holder of a permit under G.S. 18B-1101, 18B-1102, 18B-1104, or 18B-1105 leases or otherwise makes available its facility to another holder of a permit under G.S. 18B-1101, 18B-1102, 18B-1104, or 18B-1105. For purposes of this section, if authorized by federal law, the host facility may also hold, at the same facility, brewery, unfortified winery, fortified winery, and distillery permits pursuant to G.S. 18B-1101, 18B-1102, 18B-1104, and 18B-1105. In this arrangement, the tenant producer shall maintain title to the beverages at all states of the process and shall be responsible for all aspects associated with manufacturing the product, including maintaining appropriate records, obtaining label approval in its own name, and remitting the appropriate taxes. Alternating brewery proprietorships are authorized between affiliated breweries, but shall not be used as a means to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit pursuant to G.S. 18B-1104(a)(8) where either brewery would not otherwise qualify for a permit, and the Commission shall have no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b).

(d) Change in Management. – A corporation holding a permit for an establishment for which the manager is required to qualify as an applicant under G.S. 18B-900(c) shall, within 30 days after employing a new manager, submit to the Commission an application for substitution of a

manager. The application shall be signed by the new manager, shall be on a form provided by the Commission, and shall be accompanied by a fee of ten dollars ($10.00). The fee shall not be refundable.

(e) Transfer. – An ABC permit may not be transferred from one person to another or from one location to another.

(f) Lost Permits. – The Commission may issue duplicate ABC permits for an establishment when the existing valid permits have been lost or damaged. The request for duplicate permits shall be on a form provided by the Commission, certified by the permittee and the Alcohol Law Enforcement Division, and accompanied by a fee of ten dollars ($10.00).

(g) Name Change. – The Commission may issue new permits to a permittee upon application and payment of a fee of ten dollars ($10.00) for each location when the permittee's name or name of the business is changed. (1971, c. 872, s. 1; 1975, c. 330, s. 1; c. 411, s. 4; 1981, c. 412, s. 2; c. 747, s. 57; 1983, c. 713, s. 106; 1989, c. 800, s. 8; 1991, c. 565, ss. 3, 7; 1991 (Reg. Sess., 1992), c. 920, s. 6; 1998-95, s. 30; 2002-126, s. 29A.13; 2004-203, s. 25(b); 2005-350, s. 2(c); 2007-402, s. 2(c); 2008-187, s. 7; 2009-105, s. 2; 2011-145, s. 19.1(n); 2014-100, ss. 16B.2(a), 17.1(xxx); 2015-98, s. 6; 2017-87, s. 16(c); 2019-203, s. 9(a); 2021-150, s. 16.1; 2022-44, s. 4; 2024-41, ss. 13(a), 15(c), 17(e); 2025-65, s. 2(a).)

§ 18B-903.1. Reissuance of certain permits.

(a) Reissuance. – Notwithstanding G.S. 18B-902(b) or G.S. 18B-903, if a nonprofit organization has received a limited special occasion permit pursuant to G.S. 18B-1001(9) or a special one-time permit pursuant to G.S. 18B-1002(a)(2) or (a)(5) within the previous 18 months, the Commission shall reissue the permit to the nonprofit organization if the same individual representing the organization requests reissuance of the permit for the same location. The Commission shall require only the following information in order to reissue the permit:

(1) The street address of the location where the event will take place.
(2) The county in which the event will take place.
(3) The date of the event.
(4) A description of the event.
(5) The name, address, date of birth, and contact information of the individual representing the nonprofit organization.

(b) Duration. – Once issued, a reissued limited special occasion permit shall be valid for 48 hours before and after the occasion for which the permit was issued and a reissued special one-time permit shall be valid only for the period stated on the permit.

(c) Reissuance Fee. – Application for reissuance of a limited special occasion permit or a special one-time permit shall be on a form provided by the Commission. The application fee shall be the same as the initial fee set in G.S. 18B-902. A reissuance fee shall not be refundable.

(d) Investigation. – The Commission, with the assistance of the ALE Division, shall not investigate the applicant and the premises for which the reissuance is requested more than once every three years. The Commission may request the assistance of local ABC officers in investigating applications. An applicant shall cooperate fully with the investigation.

(e) False Information. – Knowingly making a false statement in an application for a permit reissuance pursuant to this section shall be grounds for denying, suspending, revoking, or taking other action against the permit as provided in G.S. 18B-104 and shall also be a Class 1 misdemeanor. (2018-100, s. 5(d); 2019-203, s. 9(a).)

§ 18B-904. Miscellaneous provisions concerning permits.

(a) Who Receives Permit. – An ABC permit shall authorize the permitted activity only on the premises of the establishment named in the permit. An ABC permit shall be issued to the owner of the business conducted on the premises, or to the management company employed to independently manage and operate the business. The ABC Commission may determine if a management agreement delegates sufficient managerial control and independence to a manager or management company to require an ABC permit to be issued to the manager.

(b) Posting Permit. – Each ABC permit that is held by an establishment shall be posted in a prominent place on the premises.

(c) Business Not Operating. – An ABC permit shall automatically expire and shall be surrendered to the Commission if the person to whom it is issued does not commence the activity authorized by the permit within six months of the date the permit is effective. Before the expiration of the six-month period, the Commission may waive this provision in individual cases for good cause.

(d) Notice of Issuance. – Upon issuing a permit the Commission shall send notice of the issuance, with the name and address of the permittee and the establishment, to:

(1) The Department of Revenue;

(2) The local board, if one exists, for the city or county in which the establishment is located;

(3) The governing body, sheriff, and tax collector of the county in which the establishment is located;

(4) If the establishment is located inside a city, the governing body, chief of police, and tax collector for the city; and

(5) The ALE Division.

(e) Business or Location No Longer Suitable. –

(1) If the Commission finds that the location occupied by the permittee is no longer a suitable place to hold ABC permits or that the operation of the business with an ABC permit at that location is detrimental to the neighborhood, the Commission may commence a contested case under Chapter 150B of the General Statutes for the suspension or revocation of a permit issued by it.

(2) The Commission shall suspend or revoke a permit issued by it if a permittee is in violation of G.S. 18B-309. Notwithstanding G.S. 18B-906, the Commission shall, by order and without prior hearing, summarily suspend or revoke a permit issued by it if a permittee is in violation of G.S. 18B-309(c) when, prior to the period of time for which the audit is to be conducted, the city council has filed information designating the location of the Urban Redevelopment Area as required under G.S. 18B-309(a) and has provided actual notice to permittees located in the Urban Redevelopment Area that they are located in such an area and must abide by G.S. 18B-309(c). Upon entry of a summary order under this subdivision, the Commission shall promptly notify all interested parties that the order has been entered and of the reasons therefore. The order will remain in effect until it is modified or vacated by the Commission. The permittee may, within 30 days after receipt of notice of the order, commence a contested case under Chapter 150B of the General Statutes for the reversal or modification of the Commission's order.

(3) If the Commission finds evidence that the permittee or the permittee's employee has been found responsible by a court of competent jurisdiction or the Commission for two or more violations on separate dates of knowingly allowing a violation of the gambling, disorderly conduct, prostitution, controlled substance, or felony criminal counterfeit trademark laws as those offenses are prohibited pursuant to G.S. 18B-1005(a)(2), (a)(3), or (b), G.S. 18B-1005.1, or G.S. 80-11.1(b)(2) or (3), at a single ABC-licensed premises within a 12-month period, the Commission may commence a contested case under Chapter 150B of the General Statutes for the revocation of a permit issued by it. The permittee and the owner of the property have the responsibility to monitor the conduct on the licensed premises pursuant to G.S. 18B-1005(b) and G.S. 19-1. Revocation of permits pursuant to this subdivision shall only apply to the permits issued to the location where the violations occurred.

(4) Notwithstanding G.S. 18B-906, the Commission shall, by order and without prior hearing, summarily suspend or revoke permits issued by it if both of the following apply:

a. Alcohol Law Enforcement agents or local ABC Board officers have consulted with the Commission Legal Division staff regarding the ongoing undercover operation and the sufficiency of the evidence gathered at the time of the consultation.

b. Upon execution of the search warrant resulting from the undercover operation, five or more persons are criminally charged with violations of the gambling, assault, disorderly conduct, prostitution, controlled substance, or felony criminal counterfeit trademark laws.

Upon entry of a summary order under this subdivision, the Commission shall promptly notify the permittee that the order has been entered and of the reasons therefore. The order shall remain in effect until it is modified or vacated by the Commission. The permittee may, within 30 days after receipt of notice of the order, commence a contested case under Chapter 150B of the General Statutes for reversal or modification of the Commission's order.

(f) Local Government Objections. – The governing body of a city or county may designate an official of the city or county, by name or by position, to make recommendations concerning the suitability of a person or of a location for an ABC permit. The governing body of a city or county shall notify the Commission of an official designated under this subsection. An official designated under this subsection shall be allowed to testify at a contested case hearing in which the suitability of a person or of a location for an ABC permit is an issue without further qualification or authorization.

(g) Nothing in this Chapter shall be deemed to preempt local governments from regulating the location or operation of adult establishments or other sexually oriented businesses to the extent consistent with the constitutional protection afforded free speech, or from requiring any additional fee for licensing as permitted under G.S. 160D-902(c).

(h) Extension of Licensed Premises. – A permittee holding a permit issued under Article 10 or 11 of this Chapter that allows the on-premises consumption of alcoholic beverages may utilize an area that is not part of the permittee's licensed premises for the outdoor possession and

consumption of alcoholic beverages sold by the permittee subject to all of the following requirements:

(1) If the licensed premises is located in a city, an ordinance has been adopted by the city authorizing permittees to expand their licensed premises. If the licensed premises is located outside of a city, an ordinance has been adopted by the county authorizing permittees to expand their licensed premises.

(2) If the property to which the premises will be extended is not owned by the permittee, the owner of the property has provided written permission to the permittee allowing the use of the property for the purpose set forth in this subsection.

(3) The permittee has provided written notification, including the diagram required under subdivision (5) of this subsection and, if applicable, a copy of the written permission required under subdivision (2) of this subsection, to the Commission, the district office of the ALE Division, and local law enforcement agency with jurisdiction over the licensed premises.

(4) The permittee shall visibly and vertically mark off the extended area so a reasonable person could distinguish between the extended area and any sidewalk or walkway.

(5) The permittee shall maintain a diagram on the licensed premises detailing the size and location of the extended area. The diagram required under this subdivision shall have the boundaries of the extended area clearly marked, specify the types of barriers used to mark the boundaries of the extended area, and specify the number of tables and seats placed in the extended area.

(6) The extended area shall not be used to increase the occupant load of the licensed premises, exclusive of the extended area. For purposes of this section, "occupant load" is as used in Section 1004 of the 2018 North Carolina Building Code.

(7) The extended area shall comply with all applicable laws governing accessibility.

(8) Except as allowed under G.S. 18B-300.1 or to reenter the licensed premises, a person shall not exit an extended area with an alcoholic beverage purchased from the permittee.

(9) Any additional requirements imposed by the Commission through the adoption of rules. (1939, c. 158, s. 514; 1943, c. 400, s. 6; 1949, c. 974, s. 14; 1953, c. 1207, ss. 2-4; 1957, c. 1440; 1963, c. 426, ss. 4, 5; 1971, c. 872, s. 1; 1981, c. 412, s. 2; c. 747, s. 58; 1989, c. 800, ss. 9, 10; 1991, c. 459, s. 4; 1993, c. 415, s. 12; 1998-46, s. 6; 1999-322, s. 2; 2001-515, s. 3(b); 2005-392, s. 4; 2011-145, s. 19.1(q); 2014-100, ss. 15.2A1(a), 17.1(xxx); 2019-49, s. 4; 2019-203, s. 9(a); 2021-150, s. 21.3; 2022-49, s. 3(b); 2022-51, s. 8; 2022-62, s. 1.)

§ 18B-904.1. (Repealed) Authorization and regulation of social districts. (2021-150, s. 20.3; repealed by 2022-49, s. 3(c), effective July 7, 2022.)

§ 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 five business days after the notice of the revocation or withdrawal has been mailed to the permittee at either the permittee's residence or the address given for the business in the permit application. No further notice shall be required. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1987, c. 827, s. 1; 2024-41, s. 13(b).)

§ 18B-906. Applicability of Administrative Procedure Act.

(a) Act Applies. – An ABC permit is a "license" within the meaning of G.S. 150B-2, and, except for revocation pursuant to G.S. 18B-904(e)(3) or for a confirmation pursuant to G.S. 18B-900(a)(8), a Commission action on issuance, suspension, or revocation of an ABC permit, other than a temporary permit issued under G.S. 18B-905, is a "contested case" subject to the provisions of Chapter 150B except as provided in this section.

(b) Exception on Hearing Location. – Hearings on ABC permits shall be held in Ahoskie, Asheville, Bryson City, Charlotte, Elizabeth City, Fayetteville, Franklin, Goldsboro, Greensboro, Greenville, Hickory, Jacksonville, Kinston, New Bern, Raleigh, Statesville, Wilmington, and Winston-Salem. Hearings shall be held within 100 miles, as best can be determined by the Commission, of the county seat of the county in which the licensed business or proposed business is located. The hearing may be held, however, at any place upon agreement of the Commission and all other parties.

(c) Exception on New Evidence. – In making a final decision in a contested case in which an issue is whether to deny an application for an ABC permit because either the applicant or the location for the proposed ABC permit is unsuitable, the Commission may hear evidence of acts that occurred after the date the contested case hearing was held if the evidence is admissible under G.S. 150B-29(a). New evidence heard under this subsection is not grounds for reversal or remand under G.S. 150B-51(a). (1939, c. 158, s. 514; 1943, c. 400, s. 6; 1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, ss. 8, 14; 1953, c. 1207, ss. 2-4; 1957, cc. 1048, 1440; 1963, c. 426, ss. 4, 5, 10-12; c. 460, s. 1; 1971, c. 872, s. 1; 1975, c. 825, s. 1; 1977, c. 176, s. 9; 1981, c. 412, s. 2; 1987, c. 827, s. 1; 1993, c. 415, s. 13; 2005-392, s. 5; 2014-3, s. 10.1(b).)

§ 18B-907. Allow electronic submission of payments and forms.

(a) Forms. – The Commission shall make all forms required by the Commission to apply for and receive a permit available on the Commission's website, and the Commission shall, to the extent practicable, allow for the electronic submission of these forms. Any form required by the Commission to apply for and receive a permit that requires a signature may be submitted with an electronic signature in accordance with Article 40 of Chapter 66 of the General Statutes.

(b) Payments. – The Commission shall accept electronic payments for any fee required under this Chapter to receive a permit. For purposes of this subsection, the term "electronic payment" means payment by charge card, credit card, debit card, or by electronic funds transfer as defined in G.S. 105-228.90.

(c) Fee. – The Commission may charge a fee to be used to cover costs incurred by the Commission in processing forms electronically and accepting payments electronically. The fee authorized under this subsection may not exceed five dollars ($5.00). (2019-182, s. 18(a); 2025-25, s. 29(5).)

Article 10.

Retail Activity.

§ 18B-1000. Definitions concerning establishments.

The following requirements and definitions shall apply to this Chapter:

(1) Bar. – An establishment that is primarily engaged in the business of selling alcoholic beverages for consumption on the premises.

(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 performing arts events to the public. A permit issued for a community theatre is valid only during regularly scheduled performing arts events sponsored by such nonprofit organization.

(1b) Congressionally chartered veterans organizations. – An establishment that is organized as a federally chartered, nonprofit veterans organization, and is operated solely for patriotic or fraternal purposes.

(1c) Convention center. – An establishment that meets either of the following requirements:

a. A publicly owned or operated establishment that is engaged in the business of sponsoring or hosting conventions and similar large gatherings, including auditoriums, armories, civic centers, convention centers, and coliseums.

b. A privately owned facility located in a city that has a population of at least 200,000 but not more than 250,000 by the 2000 federal census and is located in a county that has previously authorized the issuance of mixed beverage permits by referendum. To qualify as a convention center under this subdivision, the facility shall meet each of the following requirements:

1. The facility shall be certified by the appropriate local official as being consistent with the city's redevelopment plan for the area in which the facility is located.

2. The facility shall contain at least 7,500 square feet of floor space that is available for public use and shall be used exclusively for banquets, receptions, meetings, and similar gatherings.

3. The facility's annual gross receipts from the sale of alcoholic beverages shall be less than fifty percent (50%) of the gross receipts paid to all providers at permitted functions for food, nonalcoholic beverages, alcoholic beverages, service, and facility usage fees (excluding receipts or charges for entertainment and ancillary services not directly related to providing food and beverage service). The person to whom a permit has been issued for a privately owned facility shall be required to maintain copies of all contracts and invoices for

items supplied by providers for a period of three years from the date of the event.

A permit issued for a convention center shall be valid only for those parts of the building used for conventions, banquets, receptions, and other events, and only during scheduled activities.

(1d) Cooking school. – An establishment substantially engaged in the business of operating a school in which cooking techniques are taught for a fee.

(2) Eating establishment. – An establishment engaged in the business of regularly and customarily selling food, primarily to be eaten on the premises. Eating establishments shall include businesses that are referred to as restaurants, cafeterias, or cafes, but that do not qualify under subdivision (6) [of this section]. Eating establishments shall also include lunchstands, grills, snack bars, fast-food businesses, and other establishments, such as drugstores, which have a lunch counter or other section where food is sold to be eaten on the premises.

(3) Food business. – An establishment engaged in the business of regularly and customarily selling food, primarily to be eaten off the premises. Food businesses shall include grocery stores, convenience stores, and other establishments, such as variety stores or drugstores, where food is regularly sold, and shall also include establishments engaged primarily in selling unfortified or fortified wine or both, for consumption off the premises.

(4) Hotel. – An establishment substantially engaged in the business of furnishing lodging. A hotel shall have a restaurant either on or closely associated with the premises. The restaurant and hotel need not be owned or operated by the same person.

(4a) Repealed by Session Laws 2022-49, s. 2(a), effective July 7, 2022.

(4e) Repealed by Session Laws 2022-44, s. 6(a), effective July 7, 2022.

(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.

(5a) Qualified facility. – A facility that has any of the following permits:

a. On-premises malt beverage.
b. On-premises unfortified wine.
c. On-premises fortified wine.
d. Mixed beverages.

(5b) Residential private club. – A private club that is located in a privately owned, primarily residential and recreational development.

(6) Restaurant. – An establishment substantially engaged in the business of preparing and serving meals. To qualify as a restaurant, an establishment's gross receipts from food and nonalcoholic beverages shall be not less than thirty percent (30%) of the total gross receipts from food, nonalcoholic beverages, and

alcoholic beverages sold for on-premises consumption. A restaurant shall also have a kitchen and an inside dining area with seating for at least 10 people. It is not necessary for an establishment to maintain kitchen operations at all times it is open to the public to qualify as a restaurant. If the restaurant is located on an 18-hole golf course, the premises shall include the parking lot and the playing area of the golf course, including the teeing areas, greens, fairways, roughs, hazards, and cart paths.

(7) Retail business. – An establishment engaged in any retail business, regardless of whether food is sold on the premises.

(7a) Sports and entertainment venue. – Stadiums, ballparks, and other similar facilities with a permanently constructed seating capacity of 3,000 or more which are not located on the campus of a school, college, or university.

(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 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.

(9) Recodified as subdivision (1a) by Session Laws 2019-177, s. 4.1.

(10) Wine producer. – A farming establishment of at least five acres committed to the production of grapes, berries, or other fruits for the manufacture of unfortified wine. (1905, c. 498, ss. 6-8; Rev., ss. 3526, 3534; C.S., s. 3371; 1937, c. 49, ss. 12, 16, 22; c. 411; 1955, c. 999; 1967, c. 222, ss. 1, 8; c. 1256, s. 3; 1969, c. 1018; 1971, c. 872, s. 1; 1973, c. 1226; 1977, c. 176, s. 1; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 15; 1983, c. 583, s. 1; c. 896, s. 5; 1987, c. 307, s. 1; c. 391, s. 1; 1993, c. 415, ss. 14, 15; 1993 (Reg. Sess., 1994), c. 579, s. 1; 1995, c. 466, s. 8; c. 509, s. 15; 2001-262, s. 7; 2001-487, s. 49(d); 2002-188, s. 1; 2003-135, s. 1; 2009-539, s. 4; 2013-392, s. 2; 2018-100, s. 4(a); 2019-13, s. 3; 2019-49, s. 5; 2019-177, s. 4.1; 2019-182, s. 19(a); 2021-150, s. 17.1; 2022-44, s. 6(a); 2022-49, s. 2(a); 2022-51, ss. 15, 18; 2023-97, s. 6(a); 2024-41, ss. 18, 26(a), 33.)

§ 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. Bars.
    l. The holder of a distillery permit authorized under G.S. 18B-1105.

(2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage permit authorizes (i) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, (ii) 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, and (iii) the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the

State. The permit also authorizes the permittee to transfer malt beverages, not more than four times per calendar year, to another off-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 off-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. The permit may be issued for any of the following:

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

(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. In accordance with G.S. 20-138.7, the transportation of single-serving unfortified wine drinks in a motor vehicle shall not be unlawful if the container is an unopened manufacturer's original container or is transported in a locked container, in the trunk, or in the area behind the last upright seat in a motor vehicle not equipped with a trunk. 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).

(4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, (ii) 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, and (iii) the holder of the permit to ship unfortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another off-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by off-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 permit may also be issued to the holder of a viticulture/enology course authorization under G.S. 18B-1114.4. A school obtaining a permit under this subdivision is authorized to sell wines manufactured during its viticulture/enology program at one non-campus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee. The permit may also be issued for a winery or a wine producer for sale of its own unfortified wine during hours when the winery or wine producer's premises is open to the public, subject to any local ordinance adopted pursuant to G.S. 18B-1004(d) concerning hours for the retail sale of unfortified wine. A winery obtaining a permit under this subdivision is authorized to sell wine manufactured by the winery at one additional location in the county under the same conditions specified in G.S. 18B-1101(5) for the sale of wine at the winery; provided, however, that no other alcohol sales shall be authorized at the additional location. 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.

(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. In accordance with G.S. 20-138.7, the transportation of single-serving fortified wine drinks in a motor vehicle shall not be unlawful if the container is an unopened manufacturer's original container or is transported in a locked container, in the trunk, or in the area behind the last upright seat in a motor vehicle not equipped with a trunk. 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).

(6) Off-Premises Fortified Wine Permit. – An off-premises fortified wine permit authorizes the retail sale of fortified wine in the manufacturer's original container for consumption off the premises and it authorizes the holder of the permit to ship fortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for food businesses. The permit may also be issued for a winery for sale of its own fortified wine. 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 also authorizes the permittee to transfer fortified wine, not more than four times per calendar year, to another off-premises fortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by off-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.

(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. 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 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. Bars.
g. Sports and entertainment venues.

(9) Limited Special Occasion Permit. – A limited special occasion permit authorizes the permittee to bring fortified wine and spirituous liquor onto the premises of a business, with the permission of the owner of that property, and to serve those alcoholic beverages to the permittee's guests at a reception, party, or other special occasion being held there. The permit may be issued to any individual other than the owner or possessor of the premises. An applicant for a limited special occasion permit shall have the written permission of the owner or possessor of the property on which the special occasion is to be held.

(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. In accordance with G.S. 20-138.7, the transportation of a mixed beverage in a motor vehicle shall not be unlawful if the container is an unopened manufacturer's original container or is transported in a locked container, in the trunk, or in the area behind the last upright seat in a motor vehicle not equipped with a trunk. 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).

(11) Culinary Permit. – A culinary permit authorizes a permittee to possess up to 12 liters of either fortified wine or spirituous liquor, or 12 liters of the two combined, in the kitchen of a business and to use those alcoholic beverages for culinary purposes only. The permit may be issued for any of the following:

a. Restaurants.
b. Hotels.
c. Cooking schools.
d. Food businesses.
e. Eating establishments.

A culinary permit may also be issued to a catering service to allow the possession of the amount of fortified wine and spirituous liquor stated above at the business location of that service and at the cooking site. The permit shall also authorize the caterer to transport those alcoholic beverages to and from the business location and the cooking site, and use them in cooking.

(12) Mixed Beverages Catering Permit. – A mixed beverages catering permit may be issued to a hotel, restaurant, or distillery. A mixed beverages catering permit issued to a hotel or restaurant authorizes the hotel or a restaurant to bring spirituous liquor onto the premises where the hotel or restaurant is catering food for an event and to serve the liquor to guests at the event. A mixed beverages catering permit issued to a distillery allows the distillery to bring spirituous liquor onto the premises where a hotel or restaurant is catering food for an event and serve the liquor to guests at the event, regardless of whether the hotel or restaurant also holds a mixed beverages catering permit.

(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.

(13) Guest Room Cabinet Permit. – A guest room cabinet permit authorizes a guest room cabinet permittee to sell to its room guests, from securely locked cabinets, malt beverages, unfortified wine, fortified wine, and spirituous liquor. A permittee shall designate and maintain at least ten percent (10%) of the permittee's guest rooms as rooms that do not have a guest room cabinet. A permittee may dispense alcoholic beverages from a guest room cabinet only in accordance with written policies and procedures filed with and approved by the Commission. A permittee shall provide a reasonable number of vending machines, coolers, or similar machines on premises for the sale of soft drinks to hotel guests.

A guest room cabinet permit may be issued to any of the following:

a. A hotel (i) holding a mixed beverages permit and (ii) located in a county subject to G.S. 18B-600(f).
b. A hotel (i) holding a mixed beverages permit and (ii) located in a county that has a population in excess of 150,000 by the last federal census.
c. A private club (i) holding a mixed beverages permit, (ii) having management contracts for the rental of living units, and (iii) located in a county defined in G.S. 18B-101(13a)b.2.
d. An 18-hole golf course (i) holding a mixed beverages permit or located in a county where ABC stores have heretofore been established but in which the sale of mixed beverages has not been approved, (ii) having management contracts for the rental of living units, and (iii) located in a county that has a population in excess of 20,000 people by the last federal census.

(14) Brew on Premises Permit. – A permit may be issued to a business, located in a jurisdiction where the sale of malt beverages is allowed, where individual customers who are 21 years old or older may purchase ingredients and rent the equipment, time, and space to brew malt beverages for personal use in amounts set forth in 27 C.F.R. § 25.205. The customer must do all of the following:

a. Select a recipe and kettle.
b. Weigh out the proper ingredients and add them to the kettle.
c. Transfer the wort to the fermenter.
d. Add the yeast.
e. Place the ingredients in a fermentation room.
f. Filter, carbonate, and bottle the malt beverage.

A permittee may transfer the ingredients from the fermentation room to the cold room and may assist the customer in all the steps involved in brewing a malt beverage except adding the yeast. A malt beverage produced under this subdivision may not contain more than six percent (6%) alcohol by volume.

(15) Wine-Tasting Permit. – A wine-tasting permit authorizes wine tastings on a premises holding a retail permit, by the retail permit holder or his employee. A wine tasting consists of the offering of a sample of one or more unfortified wine products, in amounts of no more than one ounce for each sample, without charge, to customers of the business. Any person pouring wine at a wine tasting shall be at least 21 years of age.

a. Representatives of the winery, which produced the wine, the wine producer, a wholesaler, or a wholesaler's employee may assist with the tasting. Assisting with a wine tasting includes:
   1. Pouring samples for customers.
   2. Checking the identification of patrons being served at the wine tasting.

b. When a representative of the winery that produced the wine, the wine producer, a wine wholesaler, or a wine wholesaler's employee assists in a wine tasting conducted by a retail permit holder:
   1. The retail permit holder shall designate an employee to actively supervise the wine tasting.
   2. A retail permit holder's employee shall not supervise more than three wine-tasting areas.
   3. No more than six wines may be tasted at any one tasting area.
   4. The wine tasting shall not last longer than four hours from the time designated as the starting time by the retail permit holder.

c. The retail permit holder shall be solely liable for any violations of this Chapter occurring in connection with the wine tasting. The Commission shall adopt rules to assure that the tastings are limited to samplings and not a subterfuge for the unlawful sale or distribution of wine, and that the tastings are not used by industry members for unlawful inducements to retail permit holders. Except for purposes of this subsection, the holder of a wine-tasting permit shall not be construed to hold a permit for the on-premises sale or consumption of alcoholic beverages. Any food business is eligible for a wine-tasting permit.

(16) Wine Shop Permit. – A wine 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 or unfortified wine 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) wine tastings on the premises conducted and supervised by the permittee in accordance with subdivision (15) 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 and wine for consumption off the premises and regularly and customarily educating consumers through tastings, classes, and seminars about the selection, serving, and storing of wine. The holder of the permit is authorized to sell unfortified wine for consumption on the premises, provided that the sale of wine 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 wine-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.

(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.

(17) Winemaking on Premises Permit. – A permit may be issued to a business, located in a jurisdiction where the sale of unfortified wine is allowed, where individual customers who are 21 years old or older may purchase ingredients and rent the equipment, time, and space to make unfortified wine for personal use in amounts set forth in 27 C.F.R. § 24.75. Except for wine produced for testing equipment or recipes and samples pursuant to this subdivision, the permit holder shall not engage in the actual production or manufacture of wine. Samples may be consumed on the premises only by a person who has a nonrefundable contract to ferment at the premises, and the samples may not exceed one ounce per sample. All wine produced at a winemaking on premises facility shall be removed from the premises by the customer and may only be used for home consumption and the personal use of the customer.

(18) Malt Beverage Tasting Permit. – A malt beverage tasting permit authorizes malt beverage tastings on a premises holding a retail permit by the retail permit holder or his employee. A representative of the brewery whose beverages are

being featured at the tasting shall be present at the tasting unless the wholesaler or a wholesaler's employee determines that no representative of the brewery needs to be present. A malt beverage tasting consists of the offering of a sample of one or more malt beverage products, in amounts of no more than two ounces for each sample, without charge, to customers of the business. Any persons pouring malt beverage at a malt beverage tasting shall be at least 21 years of age.

a. Representatives of the brewery which produced the malt beverage, a wholesaler, or a wholesaler's employee may assist with the tasting. Assisting with a malt beverage tasting includes:
    1. Pouring samples for customers.
    2. Checking the identification of patrons being served at the malt beverage tasting.

b. When a representative of the brewery that produced the malt beverage, a malt beverage wholesaler, or a malt beverage wholesaler's employee assists in a malt beverage tasting conducted by a retail permit holder:
    1. The retail permit holder shall designate an employee to actively supervise the malt beverage tasting.
    2. A retail permit holder's employee shall not supervise more than three malt beverage tasting areas.
    3. No more than four malt beverages may be tasted at any one tasting area.
    4. The malt beverage tasting shall not last longer than four hours from the time designated as the starting time by the retail permit holder.

c. The retail permit holder shall be solely liable for any violations of this Chapter occurring in connection with the malt beverage tasting. The Commission shall adopt rules to assure that the tastings are limited to samplings and not a subterfuge for the unlawful sale or distribution of malt beverages, and that the tastings are not used by industry members for unlawful inducements to retail permit holders. Except for purposes of this subdivision, the holder of a malt beverage tasting permit shall not be construed to hold a permit for the on-premises sale or consumption of alcoholic beverages. Any food business is eligible for a malt beverage tasting permit.

(19) Spirituous liquor tasting permit. – The holder of any distillery permit authorized by G.S. 18B-1105 may conduct a consumer tasting event on the premises of the distillery subject to the following conditions:

a. Any person pouring spirituous liquor at a tasting shall be an employee of the distillery and at least 21 years of age.

b. The person pouring the spirituous liquor shall be responsible for checking the identification of patrons being served at the tasting.

c. Each consumer is limited to tasting samples of 0.25 ounce of each spirituous liquor which total no more than 1.5 ounces of spirituous liquor in any calendar day.

d. The consumer shall not be charged for any spirituous liquor tasting sample.
e. The spirituous liquor used in the consumer tasting event shall be distilled or produced at the distillery where the event is being held by the permit holder conducting the event.
f. A consumer tasting event shall not be allowed when the sale of spirituous liquor is otherwise prohibited.
g. Tasting samples are not to be offered to, or allowed to be consumed by, any person under the legal age for consuming spirituous liquor.
h. Consumer tasting events authorized under this subdivision may be conducted on any part of the licensed premises of the distillery, except as prohibited by federal law.

The distillery permit holder shall be solely liable for any violations of this Chapter occurring in connection with the tasting. The Commission shall adopt rules to assure that the tastings are limited to samplings and not a subterfuge for the unlawful sale or distribution of spirituous liquor and that the tastings are not used by industry members for unlawful inducements to retail permit holders.

(20) Antique spirituous liquor permit. – A permit under this subdivision may be issued to a holder of a mixed beverages permit issued under subdivision (10) of this section. Notwithstanding any law to the contrary, the permit holder may sell at retail antique spirituous liquor for use in mixed beverages for consumption on premises. The acquisition of antique spirituous liquor on or after September 1, 2015, shall be in accordance with the process established by rule of the Commission for special orders of spirituous liquor that is not on the list approved by the Commission.

(21) Repealed by Session Laws 2022-49, s. 2(b), effective July 7, 2022.

(22) Airport Central Storage Permit. – A permit under this subdivision may be issued to the owner of a bonded storage warehouse that meets the federal Transportation Security Administration (TSA) security standards (49 C.F.R. §§ 1542.1 through 1542.307). This permit authorizes the permittee to contract with retail permittees holding permits issued pursuant to G.S. 18B-1001(1), (3), (5), and (10) with one or more retail locations at airports which service airplanes boarding at least 150,000 passengers annually to do the following: (i) store at a central receiving facility located on or within 5 miles of the airport property and outside the retail permittee's licensed premises alcoholic beverages to be sold or served at the retail permittee's airport locations as approved by the Commission and (ii) transport alcoholic beverages from the central receiving facility to the retail permittee's premises or support locations within the airport terminal pursuant to subsections (d) and (e) of G.S. 18B-1115. Alcoholic beverages stored pursuant to this subdivision shall be the property of the retail permittee. The portion of the airport central storage permitted premises where the retail permittee's alcoholic beverages are stored shall be deemed an extension of the retail permittee's permitted premises for storage only and subject to inspection pursuant to G.S. 18B-503.

(23) Common Carrier Vehicle Permit. – Notwithstanding the results of any local election, a permit under this subdivision may be issued to a business primarily

engaged in this State in the intrastate operation of common carriers of passengers and operating under a certificate of authority issued by the North Carolina Utilities Commission. A common carrier vehicle permit authorizes the sale or service of malt beverages, unfortified wine, fortified wine, and mixed beverages in the passenger area of a common carrier of passengers for consumption by passengers in the passenger area during journeys of 75 miles or longer that do not terminate within 10 miles of the origin of the journey. The permit issued to the business shall cover all common carriers of passengers owned by the business. The permit or a copy of the permit shall be prominently displayed on each common carrier of passengers on which alcoholic beverages are served or sold. Notwithstanding G.S. 18B-101(12a), the passenger area of a permittee's common carrier of passengers constitutes the premises for the permit. This permit shall not allow consumption of alcohol on a common carrier of passengers by any employee of the permittee. A permittee may not sell or serve alcoholic beverages to a passenger between the hours of 2:00 A.M. and 7:00 A.M., and a passenger may not be allowed to consume alcoholic beverages between the hours of 2:30 A.M. and 7:00 A.M. Notwithstanding G.S. 18B-1004(c) or any local ordinance, alcoholic beverages may not be sold or consumed before 10:00 A.M. on Sundays. For purposes of this subdivision, a common carrier of passengers has the same meaning as in G.S. 20-4.01(27)d.

(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. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c, 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, ss. 16, 17, 22; 1983, c. 457, s. 3; c. 583, ss. 2-5; 1985, c. 89, ss. 1-3; c. 596, s. 1; 1987, c. 391, s. 2; c. 434, s. 1; 1989, c. 800, ss. 11, 12; 1991, c. 459, ss. 5, 6; c. 565, ss. 1, 7; c. 669, s. 1; 1991 (Reg. Sess., 1992), c. 920, s. 7; 1993, c. 508, s. 5; 1995, c. 466, s. 10; c. 509, ss. 16-18; 1997-443, s. 16.28; 1997-467, s. 3; 2001-262, s. 1; 2001-487, s. 49(a); 2003-402, s. 5; 2005-350, ss. 1, 2(a); 2006-222, s. 2.1; 2006-227, ss. 1, 9; 2006-264, s. 35.3; 2009-377, s. 2; 2009-539, s. 3; 2010-31, s. 14.12(c); 2011-73, ss. 3, 4; 2011-107, s. 1; 2011-333, ss. 4, 5; 2013-76, s. 1; 2014-115, s. 28.2(a); 2014-120, s. 17(c); 2015-98, ss. 1(b), 1(d), 5(a), 8; 2017-87, ss. 5(a), 7, 16(d);

2018-100, s. 4(b); 2019-49, s. 6; 2019-182, ss. 1(a), 10, 19(b), 22; 2021-117, s. 12(b); 2021-150, ss. 9.2(a), 19.1, 28.1; 2022-44, ss. 3(o), 7; 2022-49, s. 2(b); 2024-41, ss. 5(a), 14(a), 15(d), 16(a), 17(b); 2025-25, s. 29(3); 2025-65, s. 4(a); 2025-94, s. 5.)

§ 18B-1001.1. Authorization of wine shipper permit.

(a) A winery holding a federal basic wine manufacturing permit located within or outside of the State may apply to the Commission for issuance of a wine shipper permit that shall authorize the shipment of brands of fortified and unfortified wines identified in the application. The applicant shall not be required to pay an application fee for the wine shipper permit. A wine shipper permittee may amend the brands of wines identified in the permit application but shall file any amendment with the Commission. Any winery that applies for a wine shipper permit shall notify in writing any wholesalers that have been authorized to distribute the winery's brands within the State that an application has been filed for a wine shipper permit. A wine shipper permittee may sell and ship not more than two cases of wine per month to any person in North Carolina to whom alcoholic beverages may be lawfully sold. All sales and shipments shall be for personal use only and not for resale. A case of wine shall mean any combination of packages containing not more than nine liters of wine.

(b) A wine shipper permittee that ships to addresses in the State more than 1,000 cases of wine in a calendar year must appoint at least one wholesaler to offer and sell the products of the wine shipper permittee under Article 12 of this Chapter if the wine shipper permittee is contacted by a wholesaler that wishes to sell the products of the wine shipper permittee. This provision shall not be construed to require the wine shipper permittee to appoint the wholesaler that originally contacted the wine shipper permittee. Wine purchased by a resident of the State at the premises of the wine shipper permittee and shipped to an address in the State under G.S. 18B-109(d) shall not be included in calculating the total of 1,000 cases per year.

(c) A wine shipper permittee may contract with the holder of a wine shipper packager permit for the packaging and shipment of wine pursuant to this section. The direct shipment of wine by wine shipper or wine shipper packager permittees pursuant to this section shall be made by approved common carrier only. Each common carrier shall apply to the Commission for approval to provide common carriage of wines shipped by holders of permits issued pursuant to this section.

Each common carrier making deliveries pursuant to this section shall:

(1) Require the recipient, upon delivery, to demonstrate that the recipient is at least 21 years of age by providing a form of identification specified in G.S. 18B-302(d)(1).

(2) Require the recipient to sign an electronic or paper form or other acknowledgment of receipt as approved by the Commission.

(3) Refuse delivery when the proposed recipient appears to be under the age of 21 years and refuses to present valid identification as required by subdivision (1) of this subsection.

(4) Submit any other information that the Commission shall require.

All wine shipper and wine shipper packager permittees shipping wines pursuant to this section shall affix a notice in 26-point type or larger to the outside of each package of wine shipped within or to the State in a conspicuous location stating: "CONTAINS ALCOHOLIC BEVERAGES; SIGNATURE OF PERSON AGED 21 YEARS OR OLDER REQUIRED FOR DELIVERY". Any delivery of wines to a person under 21 years of age by a common carrier shall constitute a violation

of G.S. 18B-302(a)(1) by the common carrier. The common carrier and the wine shipper or wine shipper packager permittee shall be liable only for their independent acts.

(d) A wine shipper permittee shall be subject to jurisdiction of the North Carolina courts by virtue of applying for a wine shipper permit and shall comply with any audit or other compliance requirements of the Commission and the Department of Revenue. (2003-402, s. 2; 2004-203, s. 26(a); 2005-380, s. 2; 2006-227, s. 4.)

§ 18B-1001.2. Additional wine shipping requirements.

(a) A wine shipper permittee shall:

(1) Compile and submit to the Commission quarterly a summary indicating all wine products shipped, including brand and price of each product, date of each shipment, quantity of each shipment, and amount of excise and sales tax remitted to the Department of Revenue. The report shall include all wine products shipped on the permittee's behalf under contract with a wine shipper packager.

(2) Register with the Department of Revenue as a wine shipper permittee and provide any additional information required by the Department.

(b) The Commission may adopt rules to carry out the provisions of this section and other related provisions governing the direct shipping of wine. (2003-402, s. 3; 2006-227, s. 5.)

§ 18B-1001.3. Authorization of wine shipper packager permit.

The holder of a wine shipper packager permit may provide services for the warehousing, packaging, and shipment of wine on behalf of a winery holding a wine shipper permit. A wine shipper packager permit authorizes the holder to receive, in closed containers, wine produced by and belonging to a wine shipper permittee and to place the unopened wine in containers or packaging materials as a service to the wine shipper permittee in connection with the marketing and sale of its wine products. A wine shipper packager may package and return wine products to the wine shipper permittee or, on behalf of the wine shipper permittee, may package and ship wine products in closed containers to individual purchasers inside and outside this State in accordance with the provisions of G.S. 18B-1001.1. The permit may be issued to a USDA-approved company specializing in warehousing and contract packaging. (2006-227, s. 6.)

§ 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, 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), (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. (2019-182, s. 20(a); 2021-150, s. 26.1; 2022-51, s. 13(a); 2024-41, s. 5(c); 2025-25, s. 29(3).)

§ 18B-1001.5. Authorization of common area entertainment permit.

(a) Policy. – The intent of this section is to regulate open containers of alcoholic beverages that customers of a multi-tenant establishment take from a permittee's licensed premises into another area where consumption of the alcoholic beverages is allowed. This section shall not in any way limit the consumption or possession of alcoholic beverages otherwise allowed under this Chapter.

(b) Definitions. – For purposes of this section:

(1) Common area. – An indoor or outdoor portion of a multi-tenant establishment that is open to the public.

(2) Customer. – A person who purchases an alcoholic beverage from a permittee that is in a designated consumption area.

(3) Designated consumption area. – An indoor or outdoor common area on the premises of a multi-tenant establishment designated by the owner or property owners' association of the multi-tenant establishment for consumption of alcoholic beverages and either of the following:

a. Any indoor or outdoor area of a permittee business that is contiguous to the designated common area.

b. Any indoor or outdoor area of a non-permittee business that is contiguous to the designated common area and that chooses to allow customers to bring open containers of alcoholic beverages onto its premises.

(4) Mixed-use development. – An integrated development containing both residential and nonresidential uses and adhering to a comprehensive plan and located on a single tract of land, or on two or more tracts of land which may be separated only by a privately maintained street or other right-of-way, or which may be contained in a single building.

(5) Multi-tenant establishment. – A building or structure, or multiple buildings and structures on the same property, or within the same planned development project, that may be subject to a common declaration of restrictive covenants administered by a common property owners' association, and under common ownership, control, or property owners' association governance, that contains or contain multiple businesses that sell food, goods, services, or a combination of food, goods, and services, and that include or are connected by common areas. The term multi-tenant establishment includes a mixed-use development.

(6) Non-permittee business. – A business that is a commercial tenant of a multi-tenant establishment and does not hold any ABC permit.

(7) Permittee. – A business that is a tenant of a multi-tenant establishment and that holds 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).

(c) Authorization. – A common area entertainment permit may be issued to the owner or property owners' association of a multi-tenant establishment that has at least two tenants anywhere within the multi-tenant establishment that are permittees. A customer of a permittee may exit the permittee's licensed premises with an open container of the alcoholic beverage sold by the tenant and consume the alcoholic beverage within the confines of any indoor or outdoor designated consumption area.

(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.

(e) Days and Hours When Consumption is Allowed. – Customer-purchased alcoholic beverages may only be consumed within designated consumption areas during the hours in which

the alcoholic beverage may be sold under G.S. 18B-1004, and the owner or property owners' association of the multi-tenant establishment may further limit the days and times in which an alcoholic beverage may be consumed in a designated consumption area. The owner or property owners' association of the multi-tenant establishment shall post signs in conspicuous locations on the multi-tenant establishment property indicating the days and times in which a customer may consume alcoholic beverages in a designated consumption area.

(f) Open Containers Sold by Permittees. – A permittee located in a designated consumption area may sell open containers of alcoholic beverages and allow customers to exit the premises to the designated consumption area in accordance with the following requirements:

(1) The permittee shall only sell and serve alcoholic beverages on its licensed premises.

(2) The permittee shall only sell an open container of an alcoholic beverage for consumption in the designated consumption area and off the premises of the permittee in a container that meets all of the following requirements:

a. The container clearly identifies the permittee from which the alcoholic beverage was purchased.

b. The container clearly displays a logo or some other mark that is unique to the designated consumption area in which it will be consumed.

c. No later than January 1, 2024, the container shall not be comprised of glass.

d. The container displays, in no less than 12-point font, the statement, "Drink Responsibly – Be 21."

e. The container shall not hold more than 16 fluid ounces.

(3) Nothing in this subsection shall be construed to authorize the sale and delivery of alcoholic beverage drinks in excess of the limitation set forth in G.S. 18B-1010.

(g) Limitations on Open Containers. – Unless open containers otherwise allowed by law are allowed in designated consumption areas by the owner or property owners' association of the multi-tenant establishment, the possession and consumption of an open container of an alcoholic beverage in a designated consumption area is subject to all of the following requirements:

(1) A customer may only possess and consume open containers of alcoholic beverages that were purchased from a permittee located in the designated consumption area.

(2) Customer-purchased open containers of alcoholic beverages in the designated consumption area shall only be in containers meeting the requirements set forth in subsection (f) of this section, except for open containers sold by a permittee for consumption on the permittee's premises.

(3) A customer may only possess and consume open containers of alcoholic beverages in the designated consumption area during the days and hours set by the owner or property owners' association of the multi-tenant establishment in accordance with subsection (e) of this section, not to exceed the hours for consumption authorized pursuant to G.S. 18B-1004.

(4) A customer shall not possess at one time open containers of alcoholic beverages in the designated consumption area in excess of the number of alcoholic beverages that may be sold and delivered by a retail permittee as set forth in G.S. 18B-1010.

(5) A customer shall dispose of any open container of an alcoholic beverage in the customer's possession prior to exiting the designated consumption area.

(6) Notwithstanding G.S. 18B-300 and G.S. 18B-301, a permittee or non-permittee business may allow a customer to possess and consume on the business's premises alcoholic beverages purchased from a permittee in the designated consumption area.

(h) Closed Containers. – A person, including a customer who is in possession of an open container of an alcoholic beverage authorized under this section, may possess alcoholic beverages in closed containers in a designated consumption area to the extent otherwise allowed by this Chapter.

(i) Responsibilities of Non-Permittee Businesses. – A non-permittee business that is part of a designated consumption area and that allows customers to bring alcoholic beverages onto its premises shall not be responsible for enforcement of this Chapter. All non-permittee businesses that are part of a designated consumption area and that allow customers to bring alcoholic beverages onto their premises shall clearly post signage on any exits that do not open to a designated consumption area indicating that alcoholic beverages may not be taken past that point. During the days and hours when the designated consumption area is active, a non-permittee business that allows customers to bring alcoholic beverages onto its premises shall allow law enforcement officers access to the areas of the premises accessible by customers.

(j) Responsibilities of Permit Holder. – The owner or property owners' association of a multi-tenant establishment shall comply with this section but shall not be responsible for enforcement of other sections of this Chapter. The Commission shall take no action against the owner or property owners' association of a multi-tenant establishment for violations of other sections of this Chapter unless the owner or property owners' association of the multi-tenant establishment knowingly committed the violation or knowingly allowed the violation to occur. (2022-49, s. 2(c); 2024-41, s. 27.)

§ 18B-1002. Special one-time permits.

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

(1) A permit may be issued to a person who acquires ownership or possession of alcoholic beverages through bankruptcy, inheritance, foreclosure, judicial sale, or other special occurrence, and who does not already have a permit authorizing the sale of that kind of alcoholic beverage. The permit may authorize the sale or other disposition of the alcoholic beverages in a manner prescribed by the Commission.

(2) A permit may be issued to a nonprofit organization to allow the retail sale of malt beverages, unfortified wine, fortified wine, or mixed beverages, or to allow brown-bagging, at a single fund-raising event of that organization. A permit for this purpose shall not be issued for the sale of any kind of alcoholic beverage in a jurisdiction where the sale of that alcoholic beverage is not lawful.

(3) A permit may be issued to a permittee who is going out of business to authorize the sale or other disposition of his alcoholic beverages stock in a manner that would not otherwise be authorized under his permit.

(4) A permit may be issued to a collector of wine, decorative decanters of spirituous liquor, or antique spirituous liquor authorizing that person to bring into the

State, transport, or possess as a collector, a greater amount of those alcoholic beverages than is otherwise authorized by this Chapter, or to sell those alcoholic beverages in a manner prescribed by the Commission.

(5) A permit may be issued to a unit of local government, or to a nonprofit organization or a political organization to serve wine, malt beverages, and spirituous liquor at a ticketed event held to allow the unit of local government or organization to raise funds. For purposes of this subdivision "nonprofit organization" means an organization that is exempt from taxation under Section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(8), 501(c)(10), 501(c)(19), or 501(d) of the Internal Revenue Code or is exempt under similar provisions of the General Statutes as a bona fide nonprofit charitable, civic, religious, fraternal, patriotic, or veterans' organization or as a nonprofit volunteer fire department, or as a nonprofit volunteer rescue squad or a bona fide homeowners' or property owners' association. For purposes of this subdivision "political organization" means an organization covered by the provisions of G.S. 163-96(a)(1) or (2) or a campaign organization established by or for a person who is a candidate who has filed a notice of candidacy, paid the filing fees or filed the required petition, and been certified as a candidate. The issuance of this permit shall also allow the use for culinary purposes of spirituous liquor lawfully purchased for use in mixed beverages. The issuance of this permit shall also allow a nonprofit organization to offer alcoholic beverages in the manufacturer's original closed container as a prize in a raffle or sell alcoholic beverages in the manufacturer's original closed container at auction at the ticketed event to allow the nonprofit organization to raise funds.

(6) A permit may be issued to a professional sports organization to allow the retail 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 (i) with a seating capacity of at least 40,000 people and (ii) that is owned or leased by a constituent institution of The University of North Carolina located in a county with a population of at least 900,000 people according to the most recent federal decennial census. For purposes of this subdivision, the term "professional sports organization" means an organization that is a member of an association or league of professional sports organizations that (i) has 6 or more members, (ii) has total combined revenues from all members that exceeds ten million dollars ($10,000,000) per year, and (iii) governs the conduct of its members and regulates the contests and exhibitions in which its member organizations regularly engage.

(b) Intent. – Permits under this section are to be issued only for the limited circumstances listed in subsection (a) of this section and not as substitutes for other permits required by this Chapter.

(c) Conditions of Permit. – A permit issued under this section shall be valid only for the single transaction or the kind of activity specified in the permit and shall be subject to any conditions the Commission may impose as to the time, place and manner of the authorized activity.

(d) Administrative Procedure. – Denial or revocation of a permit under this section shall not entitle the applicant or permittee to a hearing under Chapter 150B. (1977, c. 854, s. 1; 1981, c. 412, s. 2; 1987, c. 434, s. 2; c. 827, s. 1; 1989, c. 130; c. 800, ss. 13, 14; 2001-262, s. 9; 2008-159, s.

1; 2017-6, s. 3; 2017-87, s. 3(b); 2018-100, s. 5(e); 2018-145, s. 13(a); 2018-146, ss. 3.1(a), (b), 6.1; 2022-44, s. 3(p).)

§ 18B-1002.1. Special auction permit.

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

(b) Conditions of Permit. – A permit issued under this section is valid only for the auction specified in the permit.

(c) Administrative Procedure. – Denial or revocation of a permit under this section does not entitle the applicant or permittee to a hearing under Chapter 150B of the General Statutes. (2017-87, s. 3(c); 2022-44, s. 3(q).)

§ 18B-1003. Responsibilities of permittee.

(a) Premises. – For purposes of this Chapter, a permittee shall be responsible for the entire premises for which the permit is issued. The permittee shall keep the premises clean, well-lighted and orderly.

(b) Employees. – For purposes of this Chapter, a permittee shall be responsible for the actions of all employees of the business for which the permit is issued. Each holder of a salesman's permit shall be responsible for all sales and deliveries made by his helpers.

(c) Certain Employees Prohibited. – A permittee shall not knowingly employ in the sale or distribution of alcoholic beverages any person who has been:

(1) Convicted of a felony within three years;
(2) Convicted of a felony more than three years previously and has not had his citizenship restored;
(3) Convicted of an alcoholic beverage offense within two years; or
(4) Convicted of a misdemeanor controlled substances offense within two years; [or]
(5) A past permit holder under Chapter 18B of the General Statutes whose permit had been revoked within the last 18 months and who had been the permit holder at the location where the person would be employed.

For purposes of this subsection, "conviction" has the same meaning as in G.S. 18B-900(b). To avoid undue hardship, the Commission may, in its discretion, exempt persons on a case-by-case basis from this subsection.

(c1) Posting Human Trafficking Hotline. – All permittees shall prominently display on the premises in a place that is clearly conspicuous and visible to employees a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information.

(d) Financial Responsibility. – A permittee shall pay all judgments rendered against him under the provisions of Article 1A of this Chapter. When the Commission is informed, under the provisions of G.S. 18B-127 that there is an outstanding unsatisfied judgment against a permittee, the Commission shall suspend all of the permittee's permits. Notice and hearing are not required for a suspension under this subsection, and the suspension shall become effective immediately upon the Commission's receipt of the report. The suspension shall remain in effect until the

permittee demonstrates that he has satisfied the judgment by payment in full. Nothing in this section relieves the permittee of the obligation to pay any applicable fees as a precondition of the reinstatement of his permit. (1981, c. 412, s. 2; 1983, c. 435, s. 40; 2006-253, s. 28; 2017-57, s. 17.4(b); 2017-197, s. 5.8; 2018-97, s. 5.4.)

§ 18B-1004. Hours for sale and consumption.

(a) Hours. – Except as otherwise provided in this section, it shall be unlawful to sell malt beverages, unfortified wine, fortified wine, or mixed beverages between the hours of 2:00 A.M. and 7:00 A.M., or to consume any of those alcoholic beverages between the hours of 2:30 A.M. and 7:00 A.M., in any place that has been issued a permit under G.S. 18B-1001 or G.S. 18B-1105.

(b) Repealed by Session Laws 1991, c. 689, s. 310, effective August 1, 1991.

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

(d) Local Option. – A city may adopt an ordinance prohibiting in the city the retail sale of malt beverages, unfortified wine, and fortified wine during any or all of the hours from 12:00 Noon on Sunday until 7:00 A.M. on the following Monday. A county may adopt an ordinance prohibiting, in the parts of the county outside any city, the retail sale of malt beverages, unfortified wine, and fortified wine during any or all of the hours from 12:00 Noon on Sunday until 7:00 A.M. on the following Monday. Neither a city nor a county, however, may prohibit those sales in establishments having brown-bagging or mixed beverages permits.

(e) This section does not prohibit at any time the wholesale delivery and sale of unfortified wine, fortified wine, and malt beverages to retailers issued permits pursuant to G.S. 18B-1001 or G.S. 18B-1002(a)(2) or (5). (1943, c. 339, ss. 1-3; 1949, c. 974, s. 12; 1951, c. 997, s. 1; 1953, c. 675, s. 4; 1963, c. 426, ss. 7-9, 12; 1969, c. 1131; 1971, c. 872, s. 1; 1973, cc. 56, 153; 1979, c. 286, s. 3; 1981, c. 412, s. 2; 1987, c. 35; c. 308; 1991, c. 689, s. 310; 1993, c. 243, ss. 1, 2; c. 415, s. 16; 2017-87, s. 4(a); 2021-150, s. 12.1.)

§ 18B-1005. Conduct on licensed premises.

(a) Certain Conduct. – It shall be unlawful for a permittee or the permittee's agent or employee to knowingly allow any of the following kinds of conduct to occur on the licensed premises:

(1) Any violation of this Chapter.

(2) Any fighting or other disorderly conduct that can be prevented without undue danger to the permittee, the permittee's employees or patrons.

(3) Any violation of the controlled substances, gambling, or prostitution statutes, or any other unlawful acts. For purposes of this subdivision, gambling shall not include wagering exempted by G.S. 14-309.3.

(4) through (6) Repealed by Session Laws 2003-382, s. 1, effective August 1, 2003.

(b) Supervision. – It shall be unlawful for a permittee to fail to superintend in person or through a manager the business for which a permit is issued. (1943, c. 400, s. 6; 1945, c. 708, s. 6; c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, ss. 13, 15; c. 1251, s. 3; 1957, c. 1048; 1959, c. 745, s. 2; 1963, c. 426, ss. 6, 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 30; c. 1295; c. 1452, s. 4; 1977, c. 176, ss. 1-3; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, ss. 18, 19; 2003-382, s. 1; 2023-42, s. 4(k).)

§ 18B-1005.1. Sexually explicit conduct on licensed premises.

(a) It shall be unlawful for a permittee or his agent or employee to knowingly allow or engage in any of the following kinds of conduct on his licensed premises:

(1) Any conduct or entertainment by any person whose genitals are exposed or who is wearing transparent clothing that reveals the genitals;

(2) Any conduct or entertainment that includes or simulates sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation, or any act that includes or simulates the penetration, however slight, by any object into the genital or anal opening of a person's body; or

(3) Any conduct or entertainment that includes the fondling of the breasts, buttocks, anus, vulva, or genitals.

(b) Supervision. – It shall be unlawful for a permittee to fail to superintend in person or through a manager the business for which a permit is issued.

(c) Exception. – This section does not apply to persons operating theaters, concert halls, art centers, museums, or similar establishments that are primarily devoted to the arts or theatrical performances, when the performances that are presented are expressing matters of serious literary, artistic, scientific, or political value. (2003-382, s. 2.)

§ 18B-1006. Miscellaneous provisions on permits.

(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:

(1) A regional facility as defined by G.S. 160A-480.2 operated by a facility authority under Part 4 of Article 20 of Chapter 160A of the General Statutes.

(2) Property owned by a local board of education and leased for 99 years or more to a nonprofit auditorium authority created prior to 1991 whose governing board is appointed by a city governing board, a county board of commissioners, or a local school board.

(3) A hotel.

(4) A nonprofit alumni organization.

(5) Restaurants, eating establishments, food businesses, or retail businesses on the property defined by G.S. 116-198.33(4).

(6) Any golf courses owned or leased by the public college or university and open to the public for use.

(7) The sale of malt beverages, unfortified wine, or fortified wine at the following:

a. Performing arts centers located on property owned or leased by the public college or university.

b. Any stadiums that support a NASCAR-sanctioned one-fourth mile asphalt flat oval short track, that are owned or leased by the public college or university.

(8) Special one-time permits as described in G.S. 18B-1002(a)(5) for the Loudermilk Center for Excellence facility at the University of North Carolina at Chapel Hill.

(9) Special one-time permits described in G.S. 18B-1002(a)(6).

(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. 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) Repealed by Session Laws 2024-41, s. 29, effective July 8, 2024.

(b) Lockers at Clubs. – A private club or congressionally-chartered veterans organization which has been issued a brown-bagging permit may, but is not required to, provide lockers for its members to store their alcoholic beverages. If lockers are provided, however, they shall not be shared but shall be for individual members. Each locker and each bottle of alcoholic beverages on the premises shall be labelled with the name of the member to whom it belongs. No more than eight liters each of malt beverages or unfortified wine may be stored by a member at one time. No more than eight liters of either fortified wine or spirituous liquor, or eight liters of the two combined, may be stored by a member at one time.

(c) Wine Sales. – Holders of retail or wholesale permits for the sale of unfortified or fortified wine may buy and sell only wines on the Commission's approved list. The Commission may authorize the importation and purchase of wines not on the approved list by permittees and others. An authorization shall state the kind and amount of wine that may be imported and purchased and the time within which the transaction shall be completed.

(d) Unlawful Possession or Consumption. – It shall be unlawful for a permittee to possess or consume, or allow any other person to possess or consume, on the licensed premises, any fortified wine or spirituous liquor, the possession or consumption of which is not authorized either by the permits issued to him for the premises or by any other provision of the ABC law.

(e) Facsimile Permit. – It shall be unlawful for any person to produce or possess any false or facsimile permit, or for a permittee to display any false or facsimile permit on his licensed premises.

(f) Failure to Surrender Permit. – It shall be unlawful for any person to refuse to surrender any permit to the Commission upon lawful demand of the Commission or its agents.

(g) Restrictions on Sales at Cooking Schools. – Retail sales of food or alcoholic beverages to be consumed on the premises of a cooking school are restricted to bona fide enrolled students of that school. Violation of this subsection is a ground for administrative action under G.S. 18B-104.

(h) Purchase Restrictions. – A retail permittee may purchase malt beverages, unfortified wine, or fortified wine only from a wholesaler who maintains a place of business in this State and has the proper permit.

(i) Tour Boats. – The Commission may issue permits to boats that conduct regularly scheduled tours upon the rivers or waterways of this State under the following conditions:

(1) A boat shall offer food and non-alcoholic beverages for sale on each tour on which alcoholic beverages are served.

(2) Repealed by Session Laws 2022-51, s. 10, effective July 7, 2022.

(3) A boat may hold the permits listed in G.S. 18B-1001(1), (3), (5), (7), and (10), but no off-premises sales may be made pursuant to those permits;

(4) A boat shall have a home port in an area where issuance of any of the permits listed in subdivision (3) is legal, and all passengers shall enter the boat at the home port or at other ports listed on a preannounced itinerary. The boat's permits are valid during tours that leave and return to the boat's home port, and apply regardless of whether the boat crosses into an area where sales are not legal, if the boat docks only at a port listed on the preannounced itinerary, except in an emergency; and

(5) A boat conducting tours along the intracoastal waterway and navigable waterways that enters into the intracoastal waterway, pursuant to a preannounced itinerary that includes visits to two or more cities, may serve alcoholic beverages pursuant to ABC permits issued according to the jurisdiction of its home port in the following manner:

a. While on tour, alcoholic beverages may be served to passengers;

b. While docked in any other port alcoholic beverages may be served only to tour passengers;

c. During special city-sponsored events and festivals, in which case the boat may open its galley and bars at dockside to the general public and sell those alcoholic beverages that are lawful in the jurisdiction in which it is docked. Any sales in this manner shall be in accordance with the requirements of any ordinances of the jurisdiction in which the boat is docked.

(6) Liquor purchased for resale in mixed beverages may be purchased only from the local board for the jurisdiction of the boat's home port.

(j) Recreation Districts. – Notwithstanding the provisions of Article 6 of this Chapter, the Commission may issue permits for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages to qualified businesses in a recreation district.

A "recreation district" is an area that meets any of the following requirements:

(1) An area that is located in a county that has not approved the issuance of permits, has at least two cities that have approved the sale of malt beverages, wine, and the operation of an ABC store, and contains a facility of at least 450 acres where five or more public auto racing events are held each year.

(1a) An area that is located in a county that has not approved the issuance of mixed beverages permits; has at least two cities that have approved the sale of malt

beverages, wine, and the operation of an ABC store; and contains a facility of at least 90 acres where five or more motorsports-related events are held each year. The Commission shall issue a permit under the authority set forth in this subdivision only to a facility where five or more motorsports-related events are held, or a qualified business contracting with or located at a facility where five or more motorsports-related events are held, and the sale and consumption of alcoholic beverages shall only occur during a motorsports-related event held at the facility.

(2) An area that is located in a county that borders a county which has held elections pursuant to G.S. 18B-600(f) and borders on another state and which (i) contains a facility of at least 225 acres where four or more public auto racing events are held each year or (ii) contains a facility of at least 140 acres where 80 or more motor sports events are held each year.

(3) A recreation district includes the area within a half-mile radius of a racing facility that meets the requirements of subdivision (1) or (2) of this subsection.

(4) Repealed by Session Laws 2004-203, s. 27, effective August 17, 2004.

(k) Residential Private Club and Sports Club Permits. – The Commission may issue the permits listed in G.S. 18B-1001, without approval at an election, to a residential private club or a sports club, except if the sale of mixed beverages is not lawful within a jurisdiction and that locality has voted against the sale of mixed beverages in a referendum conducted on or after September 1, 2001. If the issuance of permits is prohibited by the exception in the previous sentence, the Commission may renew existing permits and may continue to issue permits for a business location that had previously held permits under this subsection. No permit may be issued to any residential private club or sports club that practices discrimination on the basis of race, gender or ethnicity.

(*l*) Repealed by Session Laws 2004-203, s. 65, effective August 17, 2004.

(m) Interstate Interchange Economic Development Zones. –

(1) The Commission may issue permits listed in G.S. 18B-1001(10), without approval at an election, to qualified establishments defined in G.S. 18B-1000(4), (6), and (8) located within one mile of an interstate highway interchange located in a county that:

a. Has approved the sale of malt beverages, unfortified wine, and fortified wine, but not mixed beverages;

b. Operates ABC stores;

c. Borders on another state; and

d. Lies north and east of the Roanoke River.

(2) The Commission may issue permits listed in G.S. 18B-1001(1), (3), (5), and (10) to qualified establishments defined in G.S. 18B-1000(4), (6), and (8) and may issue permits listed in G.S. 18B-1001(2) and (4) to qualified establishments defined in G.S. 18B-1000(3) in any county that qualifies for issuance of permits pursuant to G.S. 18B-1006(k). These permits may be issued without approval at an election and shall be issued only to qualified establishments that meet all of the following requirements:

a. Located within one mile of any interstate highway interchange in that county;

b. Located within one mile of an establishment issued a permit under G.S. 18B-1006(k); and

c. Is, or is located within one-quarter mile of, a hotel with 70 or more rooms.

(3) Repealed by Session Laws 2004-203, s. 28, effective August 17, 2004.

(n) National Historic Landmark District. – The Commission may issue permits listed in G.S. 18B-1001(10), without approval at an election, to qualified establishments defined in G.S. 18B-1000(4) and (6) located within a National Historical Landmark as defined in 16 U.S.C. § 470a(a)(1)(B) located in a county that meets all of the following requirements:

(1) Has approved the sale of malt beverages and unfortified wine but not mixed beverages.

(2) Has at least one city that has approved the operation of an ABC store and the sale of mixed beverages.

(3) Has at least 150,000 population based on the last federal census.

(n1) State Boundary Certification. – The Commission may issue permits listed in G.S. 18B-1001(2) and (4), without approval at an election, to qualified establishments defined in G.S. 18B-1000(7) that meet all of the following requirements:

(1) The establishment is located in a county that borders on another state.

(2) The location of the establishment was reclassified from out-of-state to North Carolina as a result of a State boundary certification.

(3) The establishment was licensed or permitted by the previous state of record to sell malt beverages and unfortified wine.

(n2) Event Centers. – The Commission may issue permits listed in G.S. 18B-1001(10) and (12), without approval at an election, to qualified establishments defined in G.S. 18B-1000(4) and (6) that meet all of the following requirements:

(1) The establishment is located in a county that has more than two man-made lakes.

(2) The establishment is located in a county that has approved the sale of malt beverages and unfortified wine but not mixed beverages.

(3) The establishment is open to the public and includes on its premises a hotel with accommodations for 20 or more overnight guests, agritourism activities as defined in G.S. 99E-30, and firearm sports.

(o) Expired.

(p) The Commission shall issue a special occasion permit under G.S. 18B-1001(8) to a mixed beverage permittee in a sports facility occupied by a major league professional sports team with suites available for sale or lease to patrons of the facility to authorize patrons to make available alcoholic beverages in those suites as if the patron were a host of a reception, party or other special occasion. If the patron occupying the suite so desires, alcoholic beverages by self-service may be made available to any person at least 21 years of age possessing a valid ticket to the event authorizing that person to occupy the suite. A mixed beverage permittee who holds a permit shall provide mixed beverage tax paid spirituous liquor for resale by the container in approved sizes of no larger than 750 milliliters to the host or patron of the suite. This subsection does not authorize any person possessing a valid ticket to an event at the facility to bring alcoholic beverages onto the premises and consume those alcoholic beverages on the premises, or to remove those beverages from the suite.

(q) The hours for sales and consumption of alcoholic beverages on the premises of a permittee who meets the requirements of G.S. 18B-1009 shall be one hour earlier than permitted by G.S. 18B-1004(c).

(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.

(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. (1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 23; 1985, c. 114, s. 2; c. 301; 1987, c. 515; c. 760; 1989, c. 360; c. 770, s. 49; c. 800, s. 18; 1991, c. 340, s. 1; c. 459, s. 7; 1991 (Reg. Sess., 1992), c. 920, s. 12; 1993, c. 415, ss. 17-19; c. 508, s. 6; 1995, c. 224, s. 1; c. 372, s. 2; c. 458, s. 8; c. 466, ss. 11-12; 1997-182, s. 3; 1997-395, s. 1; 1997-443, s. 16.27(a); 1999-462, ss. 2, 10, 12, 14.; 2001-130, ss. 1, 1.4; 2004-199, s. 10; 2004-203, ss. 27, 28, 65; 2005-327, ss. 1, 2, 4; 2006-227, s. 7; 2006-264, s. 100; 2007-323, s. 6.25; 2013-394, s. 5(b); 2013-410, s. 27.9; 2014-120, s. 14; 2016-23, s. 8; 2018-145, s. 13(b); 2019-52, s. 1; 2021-150, ss. 3.1, 31.1; 2022-44, ss. 3(r), 5; 2022-51, s. 10; 2022-74, s. 19A.5(a); 2024-41, ss. 20(a), 24, 29.)

§ 18B-1006.1. Additional requirement for certain permittees to recycle beverage containers.

(a) Holders of on-premises malt beverage permits, on-premises unfortified wine permits, on-premises fortified wine permits, and mixed beverages permits shall separate, store, and provide for the collection for recycling of all recyclable beverage containers of all beverages sold at retail on the premises. A permittee has satisfied the requirements of this section if it implements a recycling program that meets the minimum standards of the model recycling program developed by the Commission pursuant to G.S. 130A-309.14(m). Failure to comply with the requirements of this section shall not be grounds for revocation of a permit. A conviction for violation of this section shall not constitute an alcoholic beverage offense within the meaning of G.S. 18B-900(a)(4).

(b) Notwithstanding subsection (a) of this section, recyclable spirituous liquor containers may be used for display purposes as provided by the Commission. The permit holder shall notify the Commission of any such containers to be used for display purposes, and each container used for display purposes shall be stamped with a mixed beverages tax stamp. When a container is no longer used for display purposes, the permit holder shall recycle the container as provided in subsection (a) of this section. (2005-348, s. 1; 2007-402, s. 2(a); 2008-187, s. 35.5; 2022-51, s. 14(a).)

§ 18B-1007. Additional requirements for mixed beverages permittees.

(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 that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee.

(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.

(c) Price List. – Each mixed beverages permittee shall have available for its customers the printed prices of the most common or popular mixed beverages offered for sale by the permittee. Violation of this subsection shall not be a criminal offense, but shall be punishable under G.S. 18B-104.

(d) When a temporary mixed beverages permit has been issued to a new permittee for the continuation of a business at the same location, the permittee going out of business may sell existing mixed beverages inventory to the new permittee, and the Commission may request that the local ABC board restamp the inventory with the mixed beverages tax stamp assigned by the local board to the new mixed beverages permittee.

(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. (1981, c. 412, s. 2; c. 746, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 20; 1989, c. 800, s. 15; 1991, c. 565, ss. 6, 7; 1991 (Reg. Sess., 1992), c. 920, s. 8; 1995, c. 466, s. 13; 2022-44, s. 3(s); 2024-41, ss. 1(c), 6(c), 7.)

§ 18B-1008. Rules concerning retail permits.

The Commission is authorized to use broad discretion in further defining the kinds of places eligible for permits under this Article. The rules may state the kind and amount of food that shall be sold to qualify in each category, the relationship between food sales and other receipts, the size of the establishment required for each category, the kinds of facilities needed to qualify, the kinds of activities at which alcoholic beverages may not be sold, and any other matters which are necessary to determine which businesses are bona fide establishments of the kinds listed in G.S. 18B-1000. Rules concerning private clubs may also include requirements that the club have a membership committee to review all applications for membership, that the club charge membership dues substantially greater than what would be paid by a one-time or casual user, that the club restrict use

by nonmembers, and that the club provide facilities or activities other than those directly related to the use of alcoholic beverages. (1981, c. 412, s. 2; 2009-381, s. 1.)

§ 18B-1009. In-stand sales.

(a) Nothing in this Chapter shall be construed to prohibit a retail permittee from selling for consumption, malt beverages in the seating areas of stadiums, ballparks, and other similar public places with a seating capacity of 3,000 or more during professional sporting events, provided that:

(1) The seating areas are designated as part of the retail permittee's licensed premises;

(2) The retail permittee has notified the Commission, in writing, of its intent to sell malt beverages in the seating areas at sporting events;

(3) Service of food and nonalcoholic beverages is available in the seating areas;

(4) The retail permittee has certified to the Commission that it has trained its employees:

a. To identify underage persons and intoxicated persons; and

b. To refuse to sell malt beverages to those persons as required by G.S. 18B-305; and

(5) The employees do not verbally shout or hawk the sale of malt beverages.

(b) The North Carolina Alcoholic Beverage Control Commission shall adopt rules for the suspension of alcohol sales in the latter portion of professional sporting events in order to protect public safety at these events. (1997-167, s. 1; 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2013-83, ss. 1, 2.)

§ 18B-1010. Sale and delivery of more than one drink at a time to a single patron.

(a) Except as otherwise provided in this section, the holder of an on-premises malt beverage permit, on-premises unfortified wine permit, on-premises fortified wine permit, or mixed beverages permit issued under G.S. 18B-1001 may sell and deliver alcoholic beverage drinks to a single patron with the following limitations:

(1) Not more than two alcoholic beverage drinks at one time if the alcoholic beverage drinks are any of the following:

a. A malt beverage.

b. Unfortified wine.

c. Fortified wine.

(2) Not more than one alcoholic beverage at one time if an alcoholic beverage drink is a mixed beverage or contains spirituous liquor.

(b) Repealed by Session Laws 2021-150, s. 11.1(a), effective September 10, 2021, and applicable to the sale and delivery of alcoholic beverages on or after that date. (2019-182, s. 13(a); 2021-150, s. 11.1(a).)

§ 18B-1011. Retail permittee off-site airport storage.

(a) Permittees holding permits issued pursuant to G.S. 18B-1001(1), (3), (5), and (10) for premises located within airport terminals may contract with an airport central storage permittee for storage at the airport central storage permittee's licensed premises of the permittee's alcoholic beverages to be sold at the retail permittee's airport locations as authorized by the Commission. The permittee may contract with the airport central storage permittee to transport the retail

permittee's alcoholic beverages from the airport central storage facility to the retail permittee's premises or support location.

(b) The location where the retail permittee's alcoholic beverages are stored on the airport central storage permittee's premises shall be deemed an extension of the retail permittee's licensed premises for purposes of this Chapter. (2021-150, s. 19.4.)

Article 11.

Commercial Activity.

§ 18B-1100. Commercial permits.

The Commission may issue the following commercial permits:

(1) Unfortified winery
(2) Fortified winery
(3) Limited winery
(4) Brewery
(5) Distillery
(6) Fuel alcohol
(7) Wine importer
(8) Wine wholesaler
(9) Malt beverages importer
(10) Malt beverages wholesaler
(11) Bottler
(12) Salesman
(13) Vendor representative
(14) Nonresident malt beverage vendor
(15) Nonresident wine vendor
(16) Winery special show
(17) Liquor importer/bottler permit
(18) Cider and vinegar manufacturer
(19) Wine producer permit
(20) Malt beverage special event permit.
(21) Spirituous liquor special event permit.
(22) Nonresident spirituous liquor vendor permit.
(23) Airport central storage permit. (1981, c. 412, s. 2; c. 747, s. 59; 1989, c. 737, s. 1; 1995, c. 404, s. 3; 1997-134, s. 1; 2001-262, s. 8; 2001-487, s. 49(g); 2009-377, s. 3; 2021-150, ss. 6.4(a), 19.3.)

§ 18B-1101. Authorization of unfortified winery permit.

The holder of an unfortified winery permit may:

(1) Manufacture unfortified wine;
(2) Sell, deliver and ship unfortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that wine may be sold to exporters and nonresident wholesalers only when the purchase is not for resale in this State;
(2a) Receive, in closed containers, unfortified wine produced inside or outside North Carolina under the winery's label from grapes, berries, or other fruits owned by the winery, and sell, deliver, and ship that wine to wholesalers, exporters, and

nonresident wholesalers in the same manner as its wine manufactured in North Carolina. This provision may be used only by a winery during its first three years of operation or when there is substantial damage to its grapes, berries, or other fruits from catastrophic crop loss. This provision may be used only three years out of every 10 years and notice must be given to the Commission each time this provision is used;

(3) Ship its wine in closed containers to individual purchasers inside and outside this State in accordance with the provisions of G.S. 18B-1001, 18B-1001.1, and 18B-1001.2, and other applicable provisions of this Chapter;

(4) Furnish or sell "short-filled" packages, on which State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State;

(5) Regardless of the results of any local wine election, sell the wine owned by the winery at the winery for on- or off-premise consumption upon obtaining the appropriate permit under G.S. 18B-1001;

(6) Sell the wine manufactured by the winery or produced under the winery's label under subdivision (2a) of this section for on- or off-premise consumption at no more than three other locations in the State, upon obtaining the appropriate permit under G.S. 18B-1001;

(6a) Receive, in closed containers, and sell at the winery, unfortified wine produced inside or outside North Carolina under contract with the winery. Such contract wine must have the winery's name clearly displayed on each bottle. The contract wine may be sold also at affiliated retail outlets of the winery physically located on or adjacent to the winery. Any wine received by a winery under this provision must be made available for sale by the winery to wholesalers for distribution to retailers, without discrimination, in the same manner as if the wine were being imported by the winery;

(7) Obtain a wine wholesaler permit to sell, deliver, and ship at wholesale unfortified wine manufactured at the winery. The authorization of this subdivision applies only to a winery that annually sells, to persons other than exporters and nonresident wholesalers when the purchase is not for resale in this State, no more than 100,000 gallons of unfortified wine manufactured by it at the winery;

(8) Allow winemaking on premises as allowed by a permit issued pursuant to G.S. 18B-1001(17).

A sale under subdivision (4) shall not be considered a retail or wholesale sale under the ABC laws. (1973, c. 511, ss. 1, 2; 1975, c. 411, s. 6; 1979, c. 224; 1981, c. 412, s. 2; c. 747, s. 60; 1985, c. 89, s. 4; 1989, c. 800, s. 2; 2001-262, s. 2; 2001-487, s. 49(b); 2002-102, s. 2; 2003-402, s. 6; 2004-135, s. 2; 2004-199, s. 11; 2007-402, s. 3.)

§ 18B-1102. Authorization of fortified winery permit.

The holder of a fortified winery permit may:

(1) Manufacture, purchase, import and transport brandy and other ingredients and equipment used in the manufacture of fortified wine;

(2) Sell, deliver and ship fortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that wine may be sold

to exporters and nonresident wholesalers only when the purchase is not for resale in this State;

(3) Ship its wine in closed containers to individual purchasers inside and outside this State in accordance with the provisions of G.S. 18B-1001, 18B-1001.1, and 18B-1001.2, and other applicable provisions of this Chapter;

(4) Furnish or sell "short-filled" packages, on which State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State;

(5) Regardless of the results of any local wine election, sell the winery's wine for on-or off-premise consumption upon obtaining the appropriate permit under G.S. 18B-1001.

A sale under subdivision (4) shall not be considered a retail or wholesale sale under the ABC laws. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 411, s. 6; c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 511, ss. 1, 2; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 224; c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; c. 747, s. 60; 1985, c. 89, s. 5; 1989, c. 800, s. 3; 2003-402, s. 7.)

§ 18B-1103. (Repealed) Authorization of limited winery permit. (1981, c. 412, s. 2; c. 747, s. 61; repealed by 2022-44, s. 1, effective July 7, 2022.)

§ 18B-1104. Authorization of brewery permit.

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

(1) Manufacture malt beverages.

(2) Purchase malt, hops and other ingredients used in the manufacture of malt beverages.

(3) Sell, deliver and ship malt beverages in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that malt beverages may be sold to exporters and nonresident wholesalers only when the purchase is not for resale in this State. However, nothing in this subdivision shall prohibit the holder of a brewery permit from selling malt beverages to a nonresident wholesaler, nonresident malt beverage vendor, bottler, or other similar party for resale in this State if the malt beverages are shipped from the brewery to wholesalers licensed under this Chapter.

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

(5) Furnish or sell marketable malt beverage products, or packages which do not conform to the manufacturer's marketing standards, if State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State.

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

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

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

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

b. Malt beverages manufactured by the permittee in some other state that have been approved by the Commission for sale in North Carolina.

c. Any other alcoholic beverages approved by the Commission for sale in North Carolina, if sale of the alcoholic beverage is otherwise authorized in that area.

(7a) Repealed by Session Laws 2019-182, s. 21(a), effective October 1, 2019.

(7b) Regardless of the results of any local malt beverage election, sell the malt beverages owned by the brewery at the brewery for on- or off-premise consumption upon obtaining the appropriate permit under G.S. 18B-1001.

(8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at wholesale up to 50,000 barrels of malt beverages manufactured by the brewery per year to unaffiliated retail permittees. The authorization of this subdivision applies to a brewery that sells, to consumers at the brewery, to wholesalers, to retailers, and to exporters, fewer than 100,000 barrels of malt beverages produced by it per year. The barrelage limitations set forth in this subdivision apply regardless of the number or type of permits that may be issued to a brewery under this Chapter. A brewery not exceeding the sales quantity limitations in this subdivision may also sell the malt beverages manufactured by the brewery, and malt beverages produced under subdivision (6a) of this subsection, at not more than three other locations in the State, where the sale is legal, upon obtaining the appropriate permits under G.S. 18B-1001. A brewery operating any additional

retail location pursuant to this subdivision under a different trade name than that used at the brewery shall also offer for sale at that location a reasonable selection of competitive malt beverage products. A sale at any additional retail location under this subdivision shall not be considered a wholesale sale for the purposes of Article 13 of this Chapter. Except as provided in G.S. 18B-1116(b), the Commission shall have no authority to grant an exemption to or otherwise allow a brewery permittee more than the three additional retail locations authorized by this subdivision. Malt beverages manufactured by a supplier permittee that owns five percent (5%) or more of a brewery permittee acting under the authority granted in this subdivision shall be included in determining whether the brewery permittee complies with the barrelage limitations set forth in this subdivision.

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

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

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

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

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

(e) Definition. – For purposes of this section, the term "barrels" is as defined in G.S. 81A-9. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1985, c. 596, s. 2; 1989, c. 800, s. 4; 1991 (Reg. Sess., 1992), c. 920, s. 9; 1993, c. 415, s. 20; 2003-430, s. 1; 2004-203, s. 29; 2011-107, s. 2; 2011-419, s. 1; 2015-98, s. 7; 2017-87, ss. 8, 12-16(a); 2019-18, s. 2; 2019-182, ss. 8(a), 21(a).)

§ 18B-1105. Authorization of distillery permit.

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

(1) Manufacture, purchase, import, possess and transport ingredients and equipment used in the distillation or production of spirituous liquor. The authorization to possess ingredients set forth in this subdivision includes the possession of spirituous liquor not distilled or produced at the distillery that is used for the production, research and development, or sample comparison of spirituous liquor.

(2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to (i) exporters and local boards within the State, and, (ii) subject to the laws of other jurisdictions, at wholesale or retail to consumers in other states or nations, or private or public agencies or establishments of other states or nations, except that the holder of a distillery permit may not sell, deliver, or ship spirituous liquor at retail to consumers in jurisdictions that require reciprocity in order to allow such sales, deliveries, or shipments.

(3) Transport into or out of the distillery the maximum amount of liquor allowed under federal law, if the transportation is related to the distilling process.

(4) Sell spirituous liquor distilled or produced at the distillery in closed containers to visitors who tour the distillery for consumption off the premises. The length, content, and other parameters of the tour shall be at the discretion of the distillery, and the distillery shall not be required to maintain records related to tours. Sales under this subdivision are allowed only in a county where the establishment of a county or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and 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. A bottle of spirituous liquor sold under this subdivision may have personalized labeling. The personalized labeling shall comply with any other labeling requirements set by law. The personalized labeling shall not cover any portion of the manufacturer's original label. For purposes of this subdivision, the term "personalized labeling" means the inclusion of any of the following on the label:

a. The name of the purchaser of the bottle or the name of any individual, business entity, or club on whose behalf the bottle is purchased.

b. "Bottled for," "distilled for," "in honor of," or other similar language.

c. Dates, locations, occasions, and other similar information.

(4a) In an area where the sale of mixed beverages is authorized by law, sell mixed beverages for consumption on the 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, 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, 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.

(5) Conduct consumer tastings, sell mixed beverages, and provide spirituous liquor in closed containers in accordance with G.S. 18B-1114.7.

(6) Sell malt beverages, unfortified wine, and fortified wine, for consumption on the premises upon obtaining the appropriate permit under G.S. 18B-1001.

(a1) A distillery participating in an alternating proprietorship may sell any product it produces or distills at the permitted location pursuant to subdivision (4), (4a), (4b), (4c), or (5) of subsection (a) of this section at any time the sale of spirituous liquor is allowed on the premises pursuant to those subdivisions. The distilleries in an alternating proprietorship may contract for the host distillery to manage sales of spirituous liquor for the other distillery pursuant to subdivision (4), (4a), (4b), (4c), or (5) of subsection (a) of this section, but each distillery shall be responsible for maintaining appropriate records and remitting the appropriate taxes. Only the host distillery shall be required to have a mixed beverage permit, if required, if the host distillery sells the other distillery's spirituous liquor in mixed beverages.

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

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

(d) Control of Location of Sale and Consumption on Premises. – Notwithstanding G.S. 18B-301(e), except as otherwise prohibited by federal law or the holder of the distillery permit, an alcoholic beverage authorized to be sold or consumed under this section may be sold, possessed, or consumed on any part of the licensed premises of the distillery that is open to the public. This subsection shall not be construed to allow spirituous liquor in closed containers sold for off-premises consumption to be consumed at the distillery. (1979, 2nd Sess., c. 1329, s. 1; 1981, c. 412, s. 2; 1989, c. 800, s. 5; 2012-201, s. 10; 2015-98, s. 4(a); 2015-262, s. 3(a); 2017-87, ss. 1(a), 16(b); 2019-182, ss. 1(b), 2, 4(a); 2021-117, ss. 12(c), 12(d); 2021-150, ss. 2.2, 6.1(a), 6.2(h), 8.1, 9.1(a), 9.3(a), 18.1; 2022-44, s. 8; 2022-51, ss. 2, 6; 2024-41, s. 5(d); 2025-65, s. 2(b).)

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

The holder of a liquor importer/bottler permit may:

(1) Receive spirituous liquor in closed containers into foreign trade zones at the State Port facilities in Morehead City and Wilmington from ships docked at the State Port facilities for the purpose of bottling, packaging, or labeling.

(2) Bottle, package, or label in this State spirituous liquor imported or received into a foreign trade zone pursuant to this section.

(3) Receive spirituous liquor in closed containers into the foreign trade zones at the State Port facilities in Morehead City and Wilmington from ships docked at the State Port facilities for storage, sale, shipment, and transshipment to the State or a local ABC board warehouse or, subject to the laws of other jurisdictions, to private or public agencies or establishments of other states or nations.

(4) Subject to the record-keeping requirements of G.S. 18B-1115, transport into or out of the foreign trade zones at the State Port facilities in Morehead City and Wilmington, the maximum amount of liquor allowed under federal law, if the transportation is related to the bottling, packaging, labeling, sale, or storage permitted by this section.

(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. (1995, c. 404, s. 1; 2024-41, s. 21(d).)

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

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

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

(2) Store those 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. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1983, c. 85, s. 1; 1993, c. 415, s. 21; 2006-227, s. 11; 2024-41, s. 21(a).)

§ 18B-1107. Authorization of wine wholesaler permit.

(a) Authorization. – The holder of a wine wholesaler permit may:

(1) Receive, possess and transport shipments of fortified and unfortified wine. The wine must be received from one of the following:
   a. A primary American source of supply for that wine as recognized by the Commission or as verified by the wholesaler.
   b. A licensed North Carolina wholesaler who received the wine from a primary American source of supply and with whom the second wholesaler has a subcontracting agreement for distribution of the wine.
   c. Another wholesaler from whom the purchasing wholesaler is purchasing the wholesaler's business or from whom the wholesaler is purchasing the brand or distribution rights for the wine being received.
   d. Another wholesaler who also has distribution rights for the wine being received and from whom the wholesaler is acquiring the wine in order to address a temporary inventory shortage.
(2) Sell, deliver and ship wine in closed containers for purposes of resale to wholesalers or retailers licensed under this Chapter as authorized by the ABC laws.
(3) Furnish and sell wine to its employees, subject to the rules of the Commission and the Department of Revenue.
(4) In locations where the sale is legal, furnish wine to guests and any other person who does not hold an ABC permit, for promotional purposes, subject to rules of the Commission.
(5) Sell out-of-date unfortified and fortified wines to holders of cider and vinegar manufacturer permits, provided that each bottle is marked "out-of-date" by the wholesaler.

(b) Distribution Agreements. – Wine distribution agreements are governed by Article 12 of this Chapter. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1983, c. 85, s. 1; 1997-134, s. 4; 2006-227, s. 12.)

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

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

(1) Import malt beverages from outside the United States in closed containers.
(2) Store those malt 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. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1993, c. 415, s. 22; 2024-41, s. 21(b).)

§ 18B-1109. Authorization of malt beverages wholesaler permit.

(a) Authorization. – The holder of a malt beverages wholesaler permit may:

(1) Receive, possess and transport shipments of malt beverages;

(2) Sell, deliver and ship, in closed containers and in quantities of one case or container or more, malt beverages of any brand filed pursuant to G.S. 18B-1303(a), to wholesalers or retailers licensed under this Chapter, as authorized by the ABC laws;

(3) Furnish and sell malt beverages filed pursuant to G.S. 18B-1303(a) to its employees subject to the rules of the Commission and the Department of Revenue;

(4) In locations where the sale is legal, furnish malt beverages of any brand filed pursuant to G.S. 18B-1303(a) to guests and any other person who does not hold an ABC permit, for promotional purposes, subject to the rules of the Commission.

(b) Repealed by Session Laws 1989, c. 142, s. 3. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; c. 747, s. 62; 1989, c. 142, s. 3; 1991, c. 459, s. 8.)

§ 18B-1110. Authorization of bottler permit.

(a) Authorization. – The holder of a bottler permit may:

(1) Receive, possess and transport shipments of malt beverages, unfortified wine and fortified wine;

(2) Bottle, sell, deliver and ship malt beverages, unfortified wine, and fortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws;

(3) Furnish or sell packages which do not conform to the manufacturer's marketing standards, if State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State.

A sale or gift under subdivision (3) shall not be considered a retail or wholesale sale under the ABC law.

(b) Distribution Agreements. – Wine distribution agreements are governed by Article 12 of this Chapter. (1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, s. 1; 1957, cc. 1048, 1448; 1963, c. 426, ss. 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 128; 1975, c. 586, s. 1; c. 654, ss. 1, 2; c. 722, s. 1; 1977, c. 70, s. 19; c. 182, s. 1; c. 669, ss. 1, 2; c. 676, ss. 1, 2; c. 911; 1979, c. 348, ss. 2, 3; c. 683, ss. 5, 6, 11, 12; 1981, c. 412, s. 2; 1983, c. 85, s. 1.)

§ 18B-1110.1. Authorization of packaging and logistics permit.

(a) Authorization. – The holder of a packaging and logistics permit may:

(1) Receive, in closed containers, malt beverages, unfortified wine, fortified wine, and spirituous liquor from a supplier for the purpose of packaging, repackaging, storage, shipping, and for the purpose of labeling or relabeling the outer packaging, such as a box or carton.

(2) Package or repackage malt beverages, unfortified wine, fortified wine, and spirituous liquor received from a supplier, and label or relabel the outer packaging.

(3) Subject to the record-keeping requirements of G.S. 18B-1115, transport into or out of the State in closed containers the maximum amounts of malt beverages, unfortified wine, fortified wine, and spirituous liquor allowed under federal law, if the transportation is related to the packaging, labeling, sale, or storage permitted by this section.

(4) Deliver and ship malt beverages, unfortified wine, and fortified wine as provided in this section in closed containers to suppliers and wholesalers licensed under this Chapter.

(5) Deliver and ship spirituous liquor as provided in this section in closed containers at wholesale to exporters and local boards within the State.

(6) Subject to the laws of other jurisdictions, deliver and ship malt beverages, unfortified wine, fortified wine, and spirituous liquor as provided in this section to out-of-state suppliers or at wholesale or retail to private or public agencies or establishments of other states or nations.

(b) Limitation. – A packaging and logistics permit does not authorize the permit holder to engage in the manufacture of alcoholic beverages except for packaging, repackaging, labeling, and relabeling as provided in subsection (a) of this section. A holder of a packaging and logistics permit may not sell, deliver, or ship malt beverages, unfortified wine, fortified wine, or spirituous liquor directly to consumers or to retail establishments in this State. Nothing in this section shall be interpreted to abrogate the provisions of G.S. 18B-1119.

(c) Distribution Agreements. – Malt beverage and wine distribution agreements applicable between a wholesaler and an original supplier are governed by Articles 12 and 13 of this Chapter. (2022-44, s. 2(b).)

§ 18B-1111. Authorization of salesman permit.

(a) Authorized Acts. – The holder of a salesman permit may sell and transport malt beverages for a malt beverage wholesaler or sell and transport unfortified and fortified wine for a wine wholesaler.

(b) Persons Required to Obtain Permit. – All route salesmen and salesmen working at a wholesaler's warehouse shall obtain the permit described in this section. All salesmen shall be at least 18 years old.

(c) Validity Period. – A salesman permit shall be valid as provided in G.S. 18B-903(a), except that it shall be valid only so long as the salesman is employed by the same wholesaler. (1951, c. 378, ss. 1, 2, 5-8; 1963, c. 426, s. 13; 1971, c. 872, s. 1; 1975, c. 330, s. 2; c. 411, s. 8; 1981, c. 412, s. 2; 2022-69, s. 2.)

§ 18B-1112. Authorization of vendor representative permit.

(a) Authorized Acts. – The holder of a vendor representative permit may represent an unfortified winery, fortified winery, limited winery, brewery, bottler, importer, nonresident malt beverage vendor, or nonresident wine vendor, either as an employee or an agent, to solicit orders for that commercial permittee's product. The vendor representative may sell, deliver, and ship alcoholic beverages in this State only to permittees to whom the commercial permittee he represents may sell, deliver, or ship.

(b) Number of Permits. – A vendor representative shall secure a separate permit for each commercial permittee he represents. A permit may not be issued without the approval of the commercial permittee. (1981, c. 747, s. 63; 1981 (Reg. Sess., 1982), c. 1262, s. 21.)

§ 18B-1113. Authorization of nonresident malt beverage vendor permit.

The holder of a nonresident malt beverage vendor permit may sell, deliver, and ship malt beverages in this State only to wholesalers, importers, and bottlers licensed under this Chapter, as authorized by the ABC laws. The malt beverages must come to rest at the licensed premises of a malt beverage wholesaler in this State before being resold to a retailer. A nonresident malt beverage vendor permit may be issued to a brewery, an importer, or a bottler outside North Carolina who desires to sell, deliver, and ship malt beverages into this State. (1981, c. 747, s. 63; 1993, c. 415, s. 23.)

§ 18B-1113.1. Authorization of optional nonresident spirituous liquor vendor permit.

(a) The following businesses may apply for and obtain a nonresident spirituous liquor vendor permit:

(1) A business located outside the State that is licensed or permitted to manufacture spirituous liquor in the jurisdiction where the business is located and whose products are lawfully sold in this State.

(2) A brokerage.

(3) A liquor importer/bottler.

(b) The holder of a nonresident spirituous liquor vendor permit may deliver and ship spirituous liquor that has been approved for sale in this State to the permit holder's (i) employees in the State and (ii) brokerage if the brokerage also holds a nonresident spirituous liquor vendor permit for the purposes of conducting special events pursuant to G.S. 18B-1114.7. The permit holder may not ship or deliver more spirituous liquor to its employees or brokerage than is necessary for any consumer tasting event scheduled within one calendar month of the shipment or delivery. Nothing in this section shall be interpreted to require a business to possess or obtain a nonresident spirituous liquor vendor permit to do business in the State or to obtain a spirituous liquor special event permit pursuant to G.S. 18B-1114.7.

(c) For purposes of this section, "distillery" means the holder of a distillery permit issued under G.S. 18B-1105 or a business located outside the State that is licensed or permitted to manufacture spirituous liquor in the jurisdiction where the business is located and whose products are lawfully sold in this State. (2021-150, s. 6.2(a); 2022-51, s. 3.)

§ 18B-1114. Authorization of nonresident wine vendor permit.

The holder of a nonresident wine vendor permit may sell, deliver, and ship unfortified and fortified wine in this State only to wholesalers, importers, and bottlers licensed under this Chapter, as authorized by the ABC laws. The unfortified and fortified wine must come to rest at the licensed premises of a wine wholesaler in this State before being resold to a retailer. A nonresident wine vendor permit may be issued to a winery, a wholesaler, an importer, or a bottler outside North Carolina who desires to sell, deliver, and ship unfortified and fortified wine into this State. The holder of a nonresident wine vendor permit may sell, deliver, and ship into this State only wine for which it is a primary American source of supply. To be considered a primary American source of supply, a nonresident wine vendor 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. (1981, c. 747, s. 63; 1993, c. 415, s. 24; 2006-227, s. 13.)

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

(a) Authorization. – The holder of an unfortified winery permit, a limited winery permit, a viticulture/enology course authorization, a wine producer permit, or a vendor representative permit may obtain a winery special event permit allowing the winery or wine producer to give free tastings of its wine; to sell branded merchandise such as glassware, cups, signs, t-shirts, hats, and other apparel; and to sell its wine by the glass or in closed containers, at shopping malls and at trade shows, conventions, wine festivals, street festivals, holiday festivals, agricultural festivals, farmers markets, balloon races, local fund-raisers, and other similar events approved by the Commission.

(b) Limitation. – A winery special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of unfortified wine. (1989, c. 737, s. 2; 1991, c. 267, s. 1; 1991 (Reg. Sess., 1992), c. 1007, s. 24; 1993, c. 553, s. 71; 2001-262, s. 3; 2001-487, s. 49(e); 2005-350, s. 3(b); 2017-87, s. 18; 2017-108, s. 19; 2017-212, s. 8.1; 2018-100, s. 6(a); 2021-150, s. 6.2(e).)

§ 18B-1114.2. Effect of cider and vinegar manufacturer permit.

The holder of a cider and vinegar manufacturer permit may purchase and transport unlimited quantities of out-of-date unfortified or fortified wines from wine wholesalers for the sole purpose of manufacturing a food product item. Any manufacturer of cider or vinegar may apply for this permit. (1997-134, s. 2.)

§ 18B-1114.3. Authorization of wine producer permit.

(a) Authorization. – The holder of a wine producer permit may:

(1) Ship crops grown on land owned by it in North Carolina to a winery, inside or outside the State, for the manufacture and bottling of unfortified wine from those crops and may receive that wine back in closed containers.

(2) Sell, deliver, and ship the unfortified wine manufactured from its crops in closed containers to wholesalers and retailers licensed under this Chapter as authorized by the ABC laws and also sell to exporters and nonresident wholesalers when the purchase is not for resale in this State.

(3) Regardless of the results of any local wine election, sell the wine manufactured from its crops for on-or off-premise consumption upon obtaining the appropriate permit under G.S. 18B-1001.

(b) Limitation on Sales. – The holder of a wine producer permit may not sell, in total, annually, more than 20,000 gallons of wine manufactured off its premises from crops it has grown. (2001-262, s. 4; 2001-487, s. 49(c).)

§ 18B-1114.4. Viticulture/Enology course authorization.

(a) Authorization. – The holder of a viticulture/enology course authorization may:

(1) Manufacture wine from grapes grown on the school's campus or the school's contracted or leased property for the purpose of providing instruction and education on the making of unfortified wines.

(2) Possess wines manufactured during the viticulture/enology program for the purpose of conducting wine-tasting seminars and classes for students who are 21 years of age or older.

(3) Sell wines produced during the course to wholesalers or to retailers upon obtaining a wine wholesaler permit under G.S. 18B-1107, except that the permittee may not receive shipments of wines from other producers.

(4) Sell wines produced during the course, upon obtaining a permit under G.S. 18B-1001(4).

(b) Limitation. – Authorization for a viticulture/enology course shall be granted by the Commission only for a community college or college that offers a viticulture/enology program as a part of its curriculum offerings for students of the school. Wines may be manufactured only from grapes grown in a viticulture/enology course vineyard that is located on the school's campus or the school's contracted or leased property.

(c) The holder of a viticulture/enology course authorization who obtains a wine wholesaler permit under G.S. 18B-1107 subject to the limitation in subsection (a) of this section may obtain a winery special event permit under G.S. 18B-1114.1, and where the permit is valid may participate in approved events and sell at retail at those events any wine produced incident to the operation of the viticulture/enology program. The holder of a viticulture/enology course authorization may participate in not more than six winery special events within a 12-month period and may sell up to 25 cases of wine at each event. Net proceeds from the program's retail sale of wine pursuant to this subsection shall be retained by the school and used for support of the viticulture/enology program.

(d) The holder of a viticulture/enology course authorization shall not be considered a winery for the purposes of this Chapter or Chapter 105 of the General Statutes. (2002-102, s. 1; 2005-350, s. 3(a); 2009-539, s. 2.)

§ 18B-1114.5. Authorization of malt beverage special event permit.

(a) Authorization. – The holder of a brewery permit, a malt beverages importer permit, a brewing, distillation, and fermentation course authorization, a nonresident malt beverage vendor permit, or a vendor representative permit may obtain a malt beverage special event permit allowing the permittee to give free tastings of its malt beverages; to sell branded merchandise such as glassware, cups, signs, t-shirts, hats, and other apparel; and to sell its malt beverages by the glass or in closed containers at shopping malls and at trade shows, conventions, malt beverage festivals, street festivals, holiday festivals, agricultural festivals, farmers markets, balloon races, local fund-raisers, and other similar events approved by the Commission. Except for a brewery operating under the provisions of G.S. 18B-1104(a)(8), all malt beverages sampled or sold pursuant to this section must be purchased from a licensed malt beverages wholesaler.

(b) Limitation. – A malt beverage special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of malt beverages. A malt beverage special event shall not be used as subterfuge for malt beverages suppliers to ship directly to retail permittees unless otherwise authorized by law. (2009-377, s. 4; 2014-115, s. 28.2(b); 2014-120, s. 17(b); 2017-87, s. 16(e); 2018-100, s. 6(b); 2019-182, s. 9; 2021-150, s. 6.2(f).)

§ 18B-1114.6. Brewing, Distillation, and Fermentation course authorization.

(a) Authorization. – The holder of a brewing, distillation, and fermentation course authorization may:

(1) Manufacture malt beverages on the school's campus or the school's contracted or leased property for the purpose of providing instruction and education on the making of malt beverages.

(2) Possess malt beverages manufactured during the brewing, distillation, and fermentation program for the purpose of conducting malt beverage tasting seminars and classes for students who are 21 years of age or older.
(3) Sell malt beverages produced during the course to wholesalers or to retailers upon obtaining a malt beverages wholesaler permit under G.S. 18B-1109, except that the permittee may not receive shipments of malt beverages from other producers.
(4) Sell malt beverages produced during the course, upon obtaining a permit under G.S. 18B-1001(2).

(b) Limitation. – Authorization for a brewing, distillation, and fermentation course shall be granted by the Commission only for a community college or college that offers a brewing, distillation, and fermentation program as a part of its curriculum offerings for students of the school. For purposes of this section, the term "brewing, distillation, and fermentation program" includes a fermentation sciences program offered by a community college or college as part of its curriculum offerings for students of the school.

(c) Malt Beverage Special Event Permit. – The holder of a brewing, distillation, and fermentation course authorization who obtains a malt beverages wholesaler permit under G.S. 18B-1109 subject to the limitation in subsection (a) of this section may obtain a malt beverage special event permit under G.S. 18B-1114.5 and where the permit is valid may participate in approved events and sell at retail at those events any malt beverages produced incident to the operation of the brewing, distillation, and fermentation program. The holder of a brewing, distillation, and fermentation course authorization may participate in not more than six malt beverage special events within a 12-month period and may sell up to 64 cases of malt beverages, or the equivalent volume of 64 cases of malt beverages, at each event. For purposes of this subsection, a "case of malt beverages" is a package containing not more than 24 12-ounce bottles of malt beverage. Net proceeds from the program's retail sale of malt beverages pursuant to this subsection shall be retained by the school and used for support of the brewing, distillation, and fermentation program.

(d) Limited Application. – The holder of a brewing, distillation, and fermentation course authorization shall not be considered a brewery for the purposes of this Chapter or Chapter 105 of the General Statutes. (2014-120, s. 17(a).)

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

(a) Authorization. – 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 obtain a spirituous liquor special event permit allowing the permittee to give free tastings of its spirituous liquors at ABC stores where the local board has approved the tasting, at shopping malls, or at trade shows, conventions, street festivals, holiday festivals, agricultural festivals, balloon races, farmers markets, local fund-raisers, and other similar events approved by the Commission. Additionally, the holder of a spirituous liquor special event permit may sell mixed beverages or provide at no cost spirituous liquor distilled or produced at the distillery in closed containers at trade shows, conventions, agricultural festivals, farmers markets, local fund-raisers, and other similar events approved by the Commission. The permit shall be issued in the name of the distillery or, if issued to a supplier representative, brokerage representative, or nonresident spirituous liquor vendor, in the name of the nonresident spirituous liquor vendor or the name of the business the supplier representative or brokerage representative represents.

(b) General Limitations on Consumer Tastings. – Except as otherwise provided in subsection (c) of this section, any consumer tasting is subject to the following limitations:

(1) The permit holder or the permit holder's authorized agent 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) The spirituous liquor shall be poured only by either (i) the permit holder conducting the consumer tasting or (ii) an employee or authorized agent of the permit holder conducting the consumer tasting who is at least 21 years of age.

(3) Each consumer shall be limited to one tasting sample containing 0.25 ounces of any 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 1.0 ounce of spirituous liquor in any calendar day.

(3a) The permit holder or the permit holder's authorized agent may only provide tasting samples of products from one distillery per booth, kiosk, or display.

(4) The permit holder or the permit holder's authorized agent shall not offer tasting samples to, or allow consumption of tasting samples by, any consumer who is visibly intoxicated.

(5) The permit holder or the permit holder's authorized agent shall not offer tasting samples to, or allow consumption of tasting samples by, any consumer under 21 years of age. The person pouring the spirituous liquor shall be responsible for verifying the age of the consumer being served by checking the identification of the consumer.

(6) The permit holder shall not charge a consumer for any tasting sample.

(7) Repealed by Session Laws 2019-182, s. 6(a), effective September 1, 2019.

(8) A consumer tasting shall not be allowed unless the venue is located in a jurisdiction that has approved the sale of mixed beverages.

(9) The permit holder may provide point-of-sale advertising materials and advertising specialties and may sell branded merchandise such as glassware, cups, signs, t-shirts, hats, and other apparel to consumers at the consumer tasting.

(10) 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 spirituous liquor that was provided for tasting at the consumer tasting, and the name of any person who poured spirituous liquor at the consumer tasting. The permit holder shall allow the ABC Commission to inspect those records at any time.

(11) Consumer tastings may not be provided between the hours of 2:00 A.M. and 7:00 A.M., except that on Sundays consumer tastings may not be provided until 12:00 noon unless the sale of alcoholic beverages before 12:00 noon is authorized by local ordinance pursuant to G.S. 153A-145.7 or G.S. 160A-205.3.

(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 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.

(b2) General Limitations on the Provision of Spirituous Liquor in Closed Containers. – The provision of spirituous liquor in closed 50 milliliter mini-bottle containers, at no cost, in conjunction with a consumer tasting under a spirituous liquor special event permit is authorized subject to the following limitations:

(1) The permit holder or the permit holder's authorized agent shall provide only spirituous liquor distilled or produced at the distillery.
(2) The permit holder or the permit holder's authorized agent shall conduct the provision of the spirituous liquor, and the permit holder shall be solely responsible for any violations of this Chapter occurring in connection with the event.
(3) The permit holder or the permit holder's authorized agent may only provide spirituous liquor distilled or produced by one distillery per booth, kiosk, or display.
(4) The spirituous liquor shall be provided 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.

(5) The permit holder or the permit holder's authorized agent shall not knowingly provide more than one 50 milliliter mini-bottle of spirituous liquor to a customer per calendar day, per distillery. Notwithstanding G.S. 18B-301(e), a customer may possess a mini-bottle purchased at a consumer tasting event while at the event.

(6) The permit holder or the permit holder's authorized agent shall not provide spirituous liquor to any consumer who is visibly intoxicated.

(7) The permit holder or the permit holder's authorized agent shall not provide spirituous liquor to any consumer under 21 years of age. The person providing the spirituous liquor shall be responsible for verifying the age of the consumer being served by checking the identification of the consumer.

(8) The provision of spirituous liquor shall not be allowed unless the venue is located in a jurisdiction that has approved the sale of mixed beverages.

(9) Spirituous liquor in closed containers may be provided 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.

(c) Additional Limitations on Tastings in ABC Stores. – Consumer tastings conducted in an ABC store shall have the following additional limitations:

(1) The spirituous liquor used in the consumer tasting event shall be purchased by the permit holder from any ABC store at the price set by the Commission. The permit holder shall remove from the premises any remaining spirituous liquor used in the consumer tasting event at the conclusion of the consumer tasting event.

(1a) Repealed by Session Laws 2022-51, s. 5(b), effective July 7, 2022.

(2) A local board may allow consumer tasting events to be conducted only between the hours of 1:00 P.M. and 7:00 P.M. on any day the ABC store, where the consumer tasting event is being held, is authorized by law to sell spirituous liquor. No consumer tasting event shall be conducted for more than three hours.

(3) The local board shall limit the consumer tasting events allowed per ABC store as follows:

a. No more than three consumer tasting events may be held per calendar week.

b. No more than two different permit holders may conduct a consumer tasting event at the same time.

(4) Notwithstanding subdivision (3) of subsection (b) of this section, the total amount of the tasting samples offered to and consumed by each consumer at a consumer tasting event shall not exceed one-half ounce of spirituous liquor in any calendar day.

(5) The permit holder conducting the event may provide point-of-sale advertising materials and advertising specialties to consumers at the consumer tasting event, but shall not conduct any sales of any branded merchandise or apparel to consumers at the consumer tasting event.

(6) The local board may post notice of the consumer tasting event at the local board's administrative offices and at any of the ABC stores within the local

board's system and may provide notice of the consumer tasting event to any mixed beverage permittee that purchases spirituous liquor from an ABC store within the local board's system. Except as permitted by this subdivision, no local board or permit holder shall advertise or promote the consumer tasting event to the public or cause any person to do so on its behalf.

(7) The permit holder shall provide written notice of the consumer tasting event to the ABC Commission at least 48 hours before the consumer tasting event. The notice shall include all of the following:
   a. The date and time of the consumer tasting event.
   b. The ABC store at which the consumer tasting event will be conducted.
   c. The spirituous liquor that will be provided for tasting at the consumer tasting event.

(8) The Commission shall adopt rules to ensure that local ABC boards that choose to allow tastings provide holders of distillery permits issued under G.S. 18B-1105 with reasonable opportunities to conduct tastings.

(9) Any tasting conducted in an ABC store shall be the sole responsibility of the permit holder. No employee of a local board may participate in or conduct a tasting in an ABC store.

(10) Any additional conditions imposed by the local board. Any additional conditions shall be in writing, and the local board shall post notice of the additional conditions at the local board's administrative offices and provide a copy of that notice to any permit holder upon request.

(11) Except as otherwise provided in this section, a permit holder conducting a consumer tasting event pursuant to this section shall not provide any consideration to the local board, its board members, or its employees for any purpose related to the consumer tasting event. A consumer tasting event shall not be used by permit holders for unlawful inducements to a local board.

(d) For purposes of this section, "distillery" means the holder of a distillery permit issued under G.S. 18B-1105 or a business located outside the State that is licensed or permitted to manufacture spirituous liquor in the jurisdiction where the business is located and whose products are lawfully sold in this State. (2017-87, s. 2(c); 2018-100, s. 6(c); 2019-182, s. 6(a); 2021-150, s. 6.2(g); 2022-51, s. 5(a), (b); 2024-41, s. 12.)

§ 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) [Permit. –] 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. (2024-41, s. 25(c).)

§ 18B-1115. Commercial transportation.

(a) Permit Required. – Unless a person holds a permit which otherwise allows him to transport more than 80 liters of malt beverages other than draft malt beverages in kegs, 50 liters of unfortified wine, or eight liters of fortified wine or spirituous liquor, or is a retailer authorized to transport alcoholic beverages under G.S. 18B-405, each person transporting alcoholic beverages in excess of those quantities shall have the permit described in this section.

(b) When Transportation Legal. – No person may obtain a permit under this section to transport spirituous liquor unless the transportation is for delivery to a federal reservation over which North Carolina has ceded jurisdiction to the United States, for delivery to an ABC store, or for transport through this State to another state.

(c) Common Carriers. – Railroad companies and other common carriers having regularly established schedules of service in this State may transport alcoholic beverages into, out of, and between points in this State without a permit. Those companies shall keep accurate records of the character, volume and number of containers transported and shall allow the Commission and alcohol law-enforcement agents to inspect those records at any time. The Commission may require common carriers to make reports of shipments.

(d) Motor Vehicle Carriers. – Alcoholic beverages may be transported over the public highways of this State by motor vehicle carriers under the following conditions:

(1) The carrier shall notify the Commission of the character of the alcoholic beverages it will transport and of its authorization from the appropriate regulatory authority.

(2) The carrier shall obtain, at no charge, a fleet permit from the Commission authorizing the transportation.

(3) The driver or person in charge of each vehicle transporting alcoholic beverages shall possess a copy of the carrier's fleet permit certified by the carrier to be an exact copy of the original.

(4) The driver or person in charge of each vehicle transporting alcoholic beverages shall possess a bill of lading, invoice or other memorandum of shipment

showing the name and address of the person from whom the alcoholic beverages were received, the character and contents of the shipment, the quantity and volume of the shipment, and the name and address of the person to whom the alcoholic beverages are being shipped.

(5) The driver or person in charge of each vehicle transporting the alcoholic beverages shall display all documents required by this section upon request of any law-enforcement officer. Failure to produce these documents or failure of the documents to disclose clearly and accurately the information required by this section shall be prima facie evidence of a violation of this section.

(6) Each carrier shall keep accurate records of character, volume and number of containers transported and shall allow the Commission and alcohol law-enforcement agents to inspect those records at any time. The Commission may require carriers to make reports of shipments.

(e) Transportation of Spirituous Liquor. – In addition to the requirements of subsection (d), motor vehicle carriers engaged in transporting spirituous liquor shall:

(1) Deposit with the Commission a surety bond for one thousand dollars ($1,000) conditioned that the carrier will not unlawfully transport spirituous liquor into or through this State. The bond, which shall be approved by the Commission, shall be payable to the State of North Carolina. If the bonded carrier is convicted of a violation covered by the bond, the proceeds of the forfeited bond shall be paid to the school fund of the county in which the liquor was seized.

(2) Include in its bill of lading, invoice or other memorandum of shipment the North Carolina code numbers of the spirituous liquor being transported.

(3) Include in its bill of lading, invoice or other memorandum of shipment the route which the vehicle will follow, and the vehicle shall not vary substantially from that stated route.

(f) Malt Beverages and Wine Transported by Boats. – The owner or operator of any boat may transport malt beverages, unfortified wine and fortified wine over the waters of this State if he satisfies all requirements of subsection (d).

(g) State Warehouse Carrier. – The Commission may exempt a carrier for the State or a local board warehouse from any of the requirements of this section provided that it determines that the requirements of this section are otherwise satisfied. (1923, c. 1, s. 15; C.S., s. 3411(o); 1939, c. 158, s. 503; 1971, c. 872, s. 1; 1975, c. 411, s. 7; 1977, c. 70, s. 20; c. 176, s. 7; 1979, c. 286, s. 5; 1981, c. 412, s. 2; c. 747, s. 63; 1987, c. 136, s. 9; 1989, c. 553, s. 4; 1993, c. 508, s. 7; 2005-335, s. 1.)

§ 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.

(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.

(3) Lend or give to any alcoholic beverage retailer in this State or 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. (1945, c. 708, s. 6; 1953, c. 1207, s. 1; 1971, c. 872, s. 1; 1981, c. 412, s. 2; c. 747, s. 63; 1993, c. 415, s. 25; 2005-380, s. 3; 2014-115, s. 28.2(c); 2017-87, ss. 11, 16(f); 2019-18, s. 3; 2019-182, s. 4(b); 2024-41, s. 32(a).)

§ 18B-1117. Repealed by Session Laws 1989, c. 142, s. 3.

§ 18B-1118. Purchase restrictions.

The holder of a malt beverage wholesaler, wine wholesaler, malt beverage importer, wine importer, or bottler permit may not purchase malt beverages or wine for resale in this State from a nonresident who does not have the proper nonresident vendor permit. (1985, c. 114, s. 3.)

§ 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. (1989, c. 142, s. 2; 2018-100, s. 7(b); 2022-1, s. 5; 2022-51, s. 11; 2024-41, s. 21(c).)

§ 18B-1120. Noncontiguous storage locations.

A brewery, winery, or distillery may store any alcoholic beverages it manufactures pursuant to a permit issued under this Article at a noncontiguous storage location approved by the Alcohol and Tobacco Tax and Trade Bureau. The permittee must notify the Commission of any storage location used pursuant to this section. Any storage location used pursuant to this section shall be considered part of the premises of the brewery, winery, or distillery manufacturing the alcoholic beverages. (2017-87, s. 6.)

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

Except as otherwise prohibited under Article 3 of this Chapter, a commercial permittee licensed under this Article, or its agent or employee, may consume samples of alcoholic beverages it is licensed to sell, free of charge, for purposes of sensory analysis, quality control, or education on any of the following premises:

(1) The permittee's premises licensed for commercial activity under Article 11 of this Chapter.

(2) The permittee's premises licensed for retail activity under Article 10 of this Chapter, if the commercial permittee is authorized to hold a retail permit under Article 11 of this Chapter and the commercial permittee has obtained the appropriate retail permit under G.S. 18B-1001.

(3) The premises of a special one-time permittee under G.S. 18B-1002.

(4) The premises of a special event where a commercial permittee is participating pursuant to a permit issued under G.S. 18B-1114.1 or G.S. 18B-1114.5. (2017-87, s. 9; 2018-100, s. 1.)

§ 18B-1122. Minimum standard of fill for malt beverages.

Malt beverages may be produced, bottled, imported, distributed, and sold in sealed containers which are 50 milliliters or more in volume. The Commission shall not limit or restrict the size of an individual malt beverage container allowed for sale in this State, provided that the container is not less than 50 milliliters. (2022-51, s. 19.)

Article 12.

Wine Distribution Agreements.

§ 18B-1200. Construction; findings and purpose; exceptions.

(a) This Article shall be liberally construed and applied to promote its underlying purposes and policies.

(b) The underlying purposes and policies of the Article are:

(1) To promote the compelling interest of the public in fair business relations between wine wholesalers and wineries, and in the continuation of wine wholesalerships on a fair basis;

(2) To protect wine wholesalers against unfair treatment by wineries;

(3) To provide wine wholesalers with rights and remedies in addition to those existing by contract or common law; and

(4) To govern all wine wholesalerships, including any renewals or amendments, to the full extent consistent with the Constitution of this State and the United States.

(c) The effect of this Article may not be waived or varied by contract or agreement. Any contract or agreement purporting to do so is void and unenforceable to the extent of that waiver or variance.

(d) A North Carolina winery holding a valid wine wholesaler permit issued pursuant to G.S. 18B-1101(7) and G.S. 18B-1107, when acting as its own master wholesaler, shall not be subject to the provisions of G.S. 18B-1204, 18B-1205, and 18B-1207. (1983, c. 85, s. 2; 2005-340, s. 1; 2005-350, s. 4; 2006-264, s. 98; 2007-484, s. 37.)

§ 18B-1201. Definitions.

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

(1) "Agreement" means a commercial relationship between a wine wholesaler and a winery. The agreement may be of a definite or indefinite duration and is not required to be in writing. Any of the following constitutes prima facie evidence of an "agreement" within the meaning of this definition:

a. A relationship whereby the wine wholesaler is granted the right to offer and sell a brand offered by a winery;

b. A relationship whereby the wine wholesaler, as an independent business, constitutes a component of a winery's distribution system;

c. A relationship whereby the wine wholesaler's business is substantially associated with a brand offered by a winery;

d. A relationship whereby the wine wholesaler's business is substantially reliant on a winery for the continued supply of wine;

e. The shipment, preparation for shipment, or acceptance of any order by any winery or its agent for any wine or beverages to a wine wholesaler within this State;

f. The payment by a wine wholesaler and the acceptance of payment by any winery or its agent for the shipment of any order of wine or beverages intended for sale within this State.

(2) "Territory" or "sales territory" means the area of primary sales responsibility expressly or implicitly designated by any agreement between any wine wholesaler and winery for a brand offered by any winery.

(3) "Wine wholesaler" means any holder of a wine wholesaler permit, wine importer permit, or bottler permit issued under the authority of this Chapter.

(4) "Winery" means any holder of an unfortified winery permit, fortified winery permit, limited winery permit, or nonresident wine vendor permit issued under the authority of this Chapter who sells at least 1,250 cases of wine in North Carolina per year. (1983, c. 85, s. 2; 2010-122, s. 26; 2011-73, s. 1.)

§ 18B-1202. No inducement, coercion, or discrimination.

No winery may:

(1) Induce, coerce, or attempt to induce or coerce any wine wholesaler to accept delivery of any alcoholic beverage or any other commodity which has not been ordered by the wine wholesaler;

(2) Induce, coerce, or attempt to induce or coerce any wine wholesaler to do any illegal act by any means, including threatening to amend, cancel, terminate, or refuse to renew any agreement existing between a winery and a wine wholesaler;

(3) Require a wine wholesaler to assent to any condition, stipulation, or provision limiting the wholesaler in his privilege to sell a product offered by any other winery;

(4) Unlawfully discriminate on the basis of race, color, creed, sex, religion, or national origin in awarding or maintaining agreements covered by this Article. Wineries who contract with wholesalers in this State shall make reasonable efforts to establish and maintain agreements with wholesalers who are females and members of minority groups. (1983, c. 85, s. 2.)

§ 18B-1203. Primary area of responsibility; no discrimination.

(a) Each agreement shall designate the sales territory of the wholesaler. No winery may enter into more than one agreement for each brand of wine or beverage it offers in any territory. A wholesaler shall not distribute any brand of wine to a retailer whose premises are located outside the territory designated in the wholesaler's agreement for that brand, except to a retail permittee's off-site airport storage premises pursuant to G.S. 18B-1011. With the approval of the Commission, a wholesaler may distribute wine outside the wholesaler's designated territory during periods of temporary service interruption when requested to do so by the winery and the wholesaler whose service is interrupted. Unless the winery and wine wholesaler agree otherwise in writing, the territory designated as the wholesaler's "area of primary sales responsibility" as of the effective date of this section shall be the wholesaler's designated sales territory. Redesignations of sales territories occurring after July 1, 2011, shall be reported to the Commission within 30 days. No provisions of this Article, however, may prohibit the continuation of a multi-wholesaler agreement entered into before March 21, 1983, as between the winery and the original wine wholesalers thereto, provided that upon termination of any such agreement, the affected territory shall be designated for a single wholesaler.

(b) A wholesaler shall service retail permit holders within its designated territory without discrimination. Upon request from a retail permit holder, each wholesaler shall make a good faith effort to make available any brand of wine the wholesaler is authorized to distribute in the territory. The provisions of this subsection shall not apply to retail permit holder private label brands. (1983, c. 85, s. 2; 2011-73, s. 2; 2021-150, s. 19.5.)

§ 18B-1204. Cancellation.

Notwithstanding the terms, provisions, or conditions of any agreement, no winery may amend, cancel, terminate, or refuse to continue to renew any agreement, or cause a wholesaler to resign from an agreement, unless good cause exists for amendment, termination, cancellation, nonrenewal, noncontinuation, or resignation. "Good cause" does not include a change in ownership of a winery. "Good cause" does include:

(1) Revocation of the wholesaler's permit or license to do business in this State;
(2) Bankruptcy or receivership of the wholesaler;
(3) Assignment for the benefit of creditors or similar disposition of the assets of the wholesaler; or
(4) Failure of the wholesaler to comply substantially, without reasonable excuse or justification, with any reasonable and material requirement imposed upon him by the winery, including a substantial failure by a wine wholesaler to:
    a. Maintain a sales volume of the brands offered by the winery, or
    b. Render services comparable in quality, quantity, or volume to the sales volumes maintained and services rendered by other wholesalers of the same brands within the State.

In any determination as to whether a wholesaler has failed to comply substantially, without reasonable excuse or justification, with any reasonable and material requirement imposed upon him by the winery, consideration shall be given to the relative size, population, geographical location, number of retail outlets, demand for the products applicable to the territory of the wholesaler in question and to comparable territories, and any reasonable sales quota set by the agreement. The burden of proving good cause for amendment, termination, cancellation, nonrenewal, noncontinuation, or resignation is on the winery. (1983, c. 85, s. 2.)

§ 18B-1205. Notice of intent to terminate.

(a) Except as provided in subsection (c), a winery shall provide a wholesaler at least 90 days prior written notice of any intention to amend, terminate, cancel, or not renew any agreement. The notice, a copy of which shall be mailed at the same time to the Commission, shall state all the reasons for the intended amendment, termination, cancellation, or nonrenewal.

(b) When the reasons relate to conditions that can be rectified by the wholesaler, he has 60 days in which to do so. If the wholesaler rectifies the conditions within the 60-day period, he shall give written notice thereof to the winery and to the Commission. If the wholesaler has rectified the conditions, the proposed amendment, termination, cancellation, or nonrenewal is void, except that when the winery contends that the wholesaler has not completely rectified the conditions, the winery may, within 15 days after the expiration of the 60-day period, request a hearing before the Commission to determine if the wholesaler has rectified all the conditions.

(c) When the reasons relate to conditions that cannot be rectified by the wholesaler within the 60-day period, the wholesaler may request a hearing before the Commission to determine if the winery has good cause for the amendment, termination, cancellation, or nonrenewal of the agreement. The burden of proving good cause for the amendment, termination, cancellation, or nonrenewal is on the winery.

(d) Upon receiving a written request from the winery or wholesaler for a hearing, the Commission shall, after notice and hearing, determine if the wholesaler has rectified the conditions or if good cause exists for the amendment, termination, cancellation, or nonrenewal of the agreement, as appropriate. In any case in which a petition is made to the Commission for such a

determination, the agreement in question shall continue in effect, pending the Commission's decision and any judicial review thereof.

(e) In all proceedings before the Commission, the Commission shall ensure that no agreements covered by this Article result in unlawful discrimination on the basis of race, color, creed, sex, religion, or national origin.

(f) No notice is required and an agreement may be immediately terminated, amended, canceled, or allowed to expire if the reason for the amendment, termination, cancellation, or nonrenewal is:

(1) The bankruptcy or receivership of the wholesaler;

(2) An assignment for the benefit of creditors or similar disposition of the assets of the business; or

(3) Revocation of the wholesaler's permit or license. (1983, c. 85, s. 2.)

§ 18B-1206. Transfer of business.

(a) No winery may unreasonably withhold or delay consent to any transfer of the wholesaler's business or transfer of the stock or other interest in the wholesaleship whenever the wholesaler to be substituted meets the material and reasonable qualifications and standards required of the winery's wholesalers.

(b) Notwithstanding subsection (a), no winery may withhold consent to, or in any manner retain a right of prior approval of, the transfer of the wholesaler's business to a member or members of the family of the wholesaler. Subsequent to such a transfer, the rights and obligations of the wholesaleship and its owners are in all respects governed by the provisions of this Chapter. As used in this subsection, "family" means the spouse, parents, siblings, and lineal descendants, including those by adoption, of the wholesaler. (1983, c. 85, s. 2.)

§ 18B-1207. Judicial remedies.

(a) If a winery violates any provision of this Article, a wholesaler may maintain a suit against the winery. The court may grant injunctive and other appropriate relief, including damages to compensate the wholesaler for the value of the agreement and any good will, to remedy violations of this Article.

(b) Any winery that amends, cancels, terminates, or refuses to renew any wine agreement, or causes a wholesaler to resign from an agreement shall compensate the wine wholesaler for the wine wholesaler's wine inventory. The amount of compensation shall include the F.O.B. costs of the wine inventory and any freight charges incurred by the wine wholesaler in receiving them.

(c) For any violation of the provisions of this Article, the Commission may take any of the following actions against the winery:

(1) Suspend the winery's permit for a specific period of time no longer than three years;

(2) Revoke the winery's permit;

(3) Issue an order suspending the shipment of the winery's products to one or more designated sales territories previously served by the wholesaler who has been terminated or who is the successor in interest to a wholesaler who sold the winery's products in the designated territory.

(4) Impose a monetary penalty up to fifteen thousand dollars ($15,000) for a first offense and up to thirty-five thousand ($35,000) for the second offense. The clear proceeds of monetary penalties imposed pursuant to this subdivision shall

be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

In any case in which the Commission is entitled to suspend or revoke a permit, the Commission may accept from the winery an offer in compromise to pay a monetary penalty. 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.

(d) Notwithstanding the choice of forum agreed to by the parties, venue for all actions under this Article shall be determined by the trial judge based upon the convenience of witnesses and the promotion of the ends of justice. (1983, c. 85, s. 2; 1989, c. 800, ss. 16, 17; 1998-215, s. 28.)

§ 18B-1208. Price of product.

No winery, whether by means of a term or condition of an agreement or otherwise, may directly or indirectly fix or maintain the prices at which the wholesaler may sell any wine or beverage. (1983, c. 85, s. 2.)

§ 18B-1209. Retaliatory action prohibited.

No winery may take retaliatory action against a wholesaler who files or manifests an intention to file a complaint alleging that the winery violated a State or federal law or rule. Retaliatory action includes refusal without good cause to continue the agreement or a material reduction in the quality of service or quantity of products available to the wholesaler under the agreement. (1983, c. 85, s. 2.)

§ 18B-1210. Management.

No winery may require or prohibit any change in management or personnel of any wholesaler unless the current or potential management or personnel fails to meet reasonable qualifications and standards required by the winery. (1983, c. 85, s. 2.)

§ 18B-1211. No discrimination.

No winery may discriminate among its wholesalers in any business dealings, including the price of wine sold to the wholesaler, unless the classification among its wholesalers is based upon reasonable grounds. (1983, c. 85, s. 2.)

§ 18B-1212. No waiver.

No winery may require any wholesaler to waive compliance with any provision of this Chapter. Nothing in this Chapter, however, may be construed to limit or prohibit good faith settlements of disputes voluntarily entered into between the parties. (1983, c. 85, s. 2.)

§ 18B-1213. Obligations of purchaser.

The purchaser of a winery, and any successor to the import rights of a winery, is obligated to all the terms and conditions of an agreement in effect on the date of the purchase or other acquisition of the right to distribute a brand, except for good cause, which includes,

(1) Revocation of the wholesaler's permit or license to do business in this State,
(2) Bankruptcy or insolvency of the wholesaler,
(3) Assignment for the benefit of creditors or similar disposition of the assets of the wholesaler, or

(4) Failure by the wholesaler to comply substantially, without reasonable excuse or justification, with any reasonable and material requirement imposed upon the wholesaler by the winery.

As used in this Article, "purchase" includes the sale of stock, sale of assets, merger, lease, transfer, or consolidation. (1983, c. 85, s. 2; 2010-122, s. 25.)

§ 18B-1214. Prohibited practices enumerated.

It is a violation of this Article for any winery, directly or indirectly, to engage in any of the following practices:

(1) To restrict the sale of any equity or indebtedness or the transfer of any securities of any wholesaler or in any way prevent or attempt to prevent the transfer, sale, or issuance of shares of stock or indebtedness to employees, personnel of the wholesaler, or heirs of the principal owner, as long as basic financial requirements of the winery are complied with and the sale, transfer, or issuance does not have the effect of accomplishing a sale of the wholesaler;

(2) To impose unreasonable standards of performance upon a wholesaler;

(3) To prohibit directly or indirectly the right of free association among wholesalers for any lawful purpose. (1983, c. 85, s. 2.)

§ 18B-1215. Intent of nondiscrimination.

It is the intent of this Article that there shall be no unlawful discrimination based on race, color, creed, sex, religion, or national origin in any aspect of the awarding or maintaining of agreements covered by this Article. (1983, c. 85, s. 2.)

§ 18B-1216. Relation of Article to other laws.

Nothing in this Article relieves a winery or wholesaler of any obligation, duty, or prohibition imposed by any other provision of this Chapter or by G.S. 75-1.1 or by any other provision of State law, and the remedies provided in this Article are nonexclusive. (1983, c. 85, s. 2.)

§§ 18B-1217 through 18B-1299. Reserved for future codification purposes.

Article 13.

Beer Franchise Law.

§ 18B-1300. Purpose.

Pursuant to the authority of the State under the Twenty-First Amendment to the United States Constitution, the General Assembly finds that regulation of the business relations between malt beverage manufacturers and importers and the wholesalers of such products is necessary to:

(1) Maintain stability and healthy competition in the malt beverage industry in this State.

(2) Promote and maintain a sound, stable and viable three-tier system of distribution of malt beverages to the public.

(3) Promote the compelling interest of the public in fair business relations between malt beverage suppliers and wholesalers, and in the continuation of beer franchise agreements on a fair basis.

(4) Maintain a uniform system of control over the sale, purchase and distribution of malt beverages in the State.

(5) Prevent unfair or unlawful trade practices by enabling wholesalers to refuse to participate in such practices without fear of arbitrary or unlawful retribution from suppliers.
(6) Provide wholesalers with rights and remedies in addition to those existing by contract or common law.
(7) Govern all agreements between suppliers and wholesalers, including any renewals or amendments.
(8) Protect wholesalers against unfair treatment by suppliers.
(9) Preserve investments made by wholesalers in franchise agreements through minimization of arbitrary termination.
(10) Promote consumer choice by ensuring an independent wholesale distribution tier that enables wholesalers to distribute competing products of other suppliers.
(11) Prevent vertical integration of the malt beverage market. (1989, c. 142, s. 1; 2019-18, s. 4.)

§ 18B-1301. Definitions.

(1) "Supplier" means a brewer, bottler, or importer of malt beverages, including anyone who holds a brewery, malt beverages importer or nonresident malt beverages vendor permit.

(2) "Wholesaler" means the holder of a malt beverages wholesaler permit. (1989, c. 142, s. 1; 1995, c. 466, s. 14.)

§ 18B-1302. Franchise agreement.

(a) Nature of Agreement. – A franchise agreement is a commercial relationship between a wholesaler and supplier of a definite or indefinite duration, whether written or oral, including:

(1) A relationship whereby a wholesaler is granted the right to offer and sell the brands of malt beverages offered by the supplier; or
(2) An agreement whereby a supplier grants to a wholesaler a license to use a trade name, trademark, service mark or related characteristic and in which there is a community of interest in the marking of the products of the supplier by lease or otherwise.

(b) Existence of Agreement. – A franchise agreement as described in subsection (a) exists when:

(1) The supplier has shipped malt beverages to a wholesaler or accepted an order for malt beverages from the wholesaler;
(2) A wholesaler has paid or the supplier has accepted payment for an order of malt beverages intended for sale within this State;
(3) The supplier and wholesaler have filed with the Commission a distribution agreement as required by G.S. 18B-1303; or
(4) A supplier acquires the right to manufacture a malt beverage product, or the trade name for such product, or the right to distribute a product, for which a wholesaler has a franchise agreement. (1989, c. 142, s. 1; 2005-350, s. 5.)

§ 18B-1303. Filing of distribution agreement; no discrimination.

(a) Filing. – It is unlawful for a supplier to provide malt beverages to a wholesaler unless the Commission has received notification from the supplier designating the brands of the supplier which the wholesaler is authorized to sell and the territory in which such sales may take place. If

the supplier sells several brands, the agreement need not apply to all brands. A franchise agreement applies to all supplier products under the same brand name, and different categories of products manufactured under a common identifying trade name are considered to be the same brand. No supplier may provide by a distribution agreement for the distribution of a brand to more than one wholesaler for the same territory. A wholesaler shall not distribute any brand of malt beverage to a retailer whose premises are located outside the territory specified in the wholesaler's distribution agreement for that brand, except to a retail permittee's off-site airport storage premises pursuant to G.S. 18B-1011. A wholesaler may, however, with the approval of the Commission distribute malt beverages outside its designated territory during periods of temporary service interruption when requested to do so by the supplier and the wholesaler whose service is interrupted.

(b) No Discrimination. – A wholesaler shall service all retail permit holders within the wholesaler's designated territory without discrimination and shall make a good faith effort to make available to each retail permit holder in the territory each brand of malt beverage which the wholesaler has been authorized to distribute in that area. The provisions of this subsection shall not apply to retail permit holder private label brands, which, at the retail permit holder's direction, may be sold either exclusively to the retailer that owns the brand name or to all retail permit holders within each territory without discrimination. For purposes of this subsection, the term "retail permit holder private label brand" means a malt beverage product that is labeled with a brand name owned by a retailer.

(c) No Price Maintenance. – A franchise agreement shall not, either expressly or by implication or in its operation, establish or maintain the resale price of any brand of malt beverages by a wholesaler. (1989, c. 142, s. 1; 1991, c. 459, s. 9; 1993, c. 415, s. 28; 1995, c. 466, s. 15; 2012-4, s. 1; 2019-182, s. 7; 2021-150, s. 19.6.)

§ 18B-1304. Prohibitions.

It is unlawful for a supplier, or an officer, agent or representative of a supplier, to:

(1) Coerce or attempt to coerce or persuade a wholesaler to violate any provision of the ABC laws or rules of the Department of Revenue.

(2) Except as authorized by G.S. 18B-1305(a1), alter in a material way, terminate, fail to renew, or cause a wholesaler to resign from, a franchise agreement with a wholesaler except for good cause and with the notice required by G.S. 18B-1305.

(3) Withdraw money from or otherwise access a wholesaler's bank accounts without the wholesaler's consent.

(4) Present a franchise agreement, amendment, or renewal to a wholesaler that attempts to waive compliance with any provision of this Article or that requires a wholesaler to waive compliance with any provision of this Article. A wholesaler entering into a franchise agreement containing provisions in conflict with this Article shall not be deemed to waive rights protected by, or in compliance with, any provision of this Article.

(5) Induce or coerce, or attempt to induce or coerce, any wholesaler to assent to any franchise agreement, amendment, or renewal that does not comply with this Article and the laws of this State.

(6) Coerce or attempt to coerce a wholesaler, or its designated or anticipated successor, to sign a franchise agreement, amendment, or renewal to a franchise

agreement by threatening to refuse to approve or delay issuing an approval for the sale, transfer, or merger of a wholesaler's business.

(7) Terminate, cancel, or nonrenew or attempt to terminate, cancel, or nonrenew a franchise agreement on the basis that the wholesaler fails to agree or consent to an amendment to the franchise agreement.

(8) Prohibit a wholesaler from distributing the product of any other supplier, except that a supplier may prohibit a wholesaler from distributing the product of another supplier if reasonable grounds exist for prohibiting the wholesaler's acquisition of the product and the acquisition would result in the wholesaler acquiring eighty percent (80%) or more by volume of all malt beverage products sold in the territory being acquired at the time of the acquisition.

(9) Refuse to approve or require a wholesaler to terminate a brand manager or successor manager without good cause. A supplier has good cause only if the person designated for approval by the wholesaler fails to meet reasonable standards and qualifications.

(10) Discriminate in price, allowance, rebate, refund, payment term, commission, discount, or service between wholesalers licensed in North Carolina. As used in this subsection, "discriminate" means the granting of a more favorable price, allowance, rebate, refund, payment term, commission, discount, or service to one North Carolina wholesaler than to another North Carolina wholesaler based on the quantity of malt beverages purchased or for any other reason, but "discriminate" shall exclude the granting of more favorable freight and transportation costs, price promotions on malt beverage products for special events in a particular market not to exceed 14 consecutive days, point-of-sale advertising materials, sponsorships, consumer specialty items, consumer sweepstakes, and novelties. A supplier may, however, offer a lower price or discount in order to match that of a competing supplier on a similar category of malt beverage products in the entire State or in a particular market. (1989, c. 142, s. 1; 2012-4, s. 1.)

§ 18B-1305. Cause for termination of franchise agreement.

(a) Meaning of Good Cause. – Good cause for altering or terminating a franchise agreement, or failing to renew or causing a wholesaler to resign from such an agreement, exists when the wholesaler fails to comply with provisions of the agreement which are reasonable, material, not unconscionable, and which are not discriminatory when compared with the provisions imposed, by their terms or in the manner of enforcement, on other similarly situated wholesaler by the supplier. The meaning of good cause set out in this section may not be modified or superseded by provisions in a written franchise agreement prepared by a supplier if those provisions purport to define good cause in a manner different than specified in this section. In any dispute over alteration, termination, failure to renew or causing a wholesaler to resign from a franchise agreement, the burden is on the supplier to establish that good cause exists for the action.

(a1) Termination by a Small Brewery. – A brewery's authorization to distribute its own malt beverage products pursuant to G.S. 18B-1104(a)(8) shall revert back to the brewery, in the absence of good cause, following the fifth business day after confirmed receipt of written notice of such reversion by the brewery to the wholesaler. The brewery shall pay the wholesaler fair market value for the distribution rights for the affected brand. For purposes of this subsection, "fair market

value" means the highest dollar amount at which a seller would be willing to sell and a buyer willing to buy at the time the self-distribution rights revert back to the brewery, after each party has been provided all information relevant to the transaction. This subsection only applies to a brewery that sells to consumers at the brewery, to wholesalers, to retailers, and to exporters fewer than 25,000 barrels of malt beverages produced by it per year. Malt beverages manufactured by a supplier permittee that owns five percent (5%) or more of a brewery permittee shall be included in determining whether the brewery permittee complies with the barrelage limitations set forth in this subdivision. For purposes of this subsection, the term "barrel" is as defined in G.S. 18B-1104.

(b) Notice of Cause. – At least 90 days before altering, terminating or failing to renew a franchise agreement for good cause, the supplier must give the wholesaler written notice of the intended action and the specific reasons for it. If the cause for the alteration, termination or failure to renew is subject to correction by the wholesaler, and the wholesaler makes such correction within 45 days of receipt of the notice, the notice shall be void.

(c) Termination for Cause without Advance Notice. – A supplier may terminate or fail to renew a franchise agreement for any of the following reasons, and the termination shall be complete upon receipt by the wholesaler of a written notice of the termination and the reason:

(1) Insolvency of the wholesaler, the dissolution or liquidation of the wholesaler, or the filing of any petition by or against the wholesaler under any bankruptcy or receivership law which materially affects the wholesaler's ability to remain in business.

(2) Revocation of the wholesaler's State or federal permit or license for more than 30 days.

(3) Conviction of the wholesaler, or of a partner or individual who owns ten percent (10%) or more of the partnership or stock of the wholesaler, of a felony which might reasonably be expected to adversely affect the goodwill or interest of the wholesaler or supplier. The provisions of this subdivision shall not apply, however, if the wholesaler or its existing partners or stockholders shall have the right to purchase the interest of the offending partner or stockholder, and such purchase is completed within 30 days of the conviction.

(4) Fraudulent conduct by the wholesaler in its dealings with the supplier or its products.

(5) Failure of the wholesaler to pay for the supplier's products according to the established terms of the supplier.

(6) Assignment, sale or transfer of the wholesaler's business or control of the wholesaler without the written consent of the supplier, except as provided in G.S. 18B-1307.

(d) Absence of Good Cause. – Good cause for alteration, termination or failure to renew a franchise agreement does not include:

(1) The failure or refusal of the wholesaler to engage in any trade practice, conduct or activity which would violate federal or State law.

(2) The failure or refusal of the wholesaler to take any action which would be contrary to the provisions of this Article.

(3) A change in the ownership of the supplier or the acquisition by another supplier of the brewery, brand or trade name or trademark, or acquisition of the right to distribute a product, from the original supplier.

(4) Sale or transfer of the rights to manufacture, distribute, or use the trade name of the brand to a successor supplier.
(5) Failure of the wholesaler to meet standards of operation or performance that have been imposed or revised unilaterally by the supplier without a fair opportunity for the individual wholesaler to bargain as to the terms, unless the supplier has implemented the standards on a national basis and those standards are consistently applied to all similarly situated North Carolina wholesalers in a nondiscriminatory manner.
(6) The establishment of a franchise agreement between a wholesaler and another supplier, or similar acquisition by a wholesaler of the right to distribute a brand of another supplier.
(7) The desire of a supplier to consolidate its franchises. (1989, c. 142, s. 1; 2012-4, s. 1; 2012-194, s. 45.5; 2017-87, s. 16(g); 2019-18, s. 5.)

§ 18B-1306. Remedies for wrongful termination.

(a) Injunctive Relief. – A wholesaler whose franchise agreement is altered, terminated or not renewed in violation of this Article may bring an action to enjoin such unlawful alteration, termination or failure to renew. The action may be brought in the county in which the wholesaler has its principal place of business or in any county in which the wholesaler receives or distributes the products in issue. Any injunction issued pursuant to this subsection shall require the wholesaler to supply the customers in its territory with their reasonable retail requirements and to otherwise serve the territory.

(b) Monetary Damages. – In lieu of injunctive relief, a wholesaler whose franchise agreement is altered, terminated or not renewed in violation of this Article shall be entitled to recover monetary damages from the supplier. The amount to which the wholesaler is entitled shall be the value of the wholesaler's business distributing the supplier's products, including:

(1) The laid-in costs to the wholesaler of the inventory of the supplier's products, including any State and local taxes paid on the inventory by the wholesaler, plus a reasonable charge for handling of the products upon surrender of the inventory to the supplier.
(2) The fair market value of all assets, including ancillary businesses of the wholesaler used in distributing the supplier's products. The total compensation to be paid to the wholesaler shall be reduced, however, by any amount received by the wholesaler from sale of assets of the business used in distributing the supplier's products as well as by the value such assets have to the wholesaler unrelated to the supplier's products. "Fair market value" means the highest dollar amount at which a seller would be willing to sell and a buyer willing to buy at a time prior to the alteration, termination or failure to renew, when each possesses all information relevant to the transaction. (1989, c. 142, s. 1; 2012-4, s. 1.)

§ 18B-1307. Transfer or merger of wholesaler's business.

(a) Right of Transfer to Designated Family Member. – An individual's interest in a wholesaler business, including the rights under the franchise agreement with the supplier, may be transferred or assigned to a designated family member. The transfer or assignment shall not be effective until written notice is given to the supplier, but the supplier's consent is not required for

the transfer or assignment. "Designated family member" means the wholesaler's spouse, child, grandchild, parent, brother, sister, niece, or nephew. With respect to an incapacitated individual having an ownership interest in a wholesaler, the term "designated family member" also means the person appointed by the court as the conservator of such individual's property. The term also includes the appointed and qualified personal representative and the testamentary trustee of a deceased wholesaler.

(b) Approval of Certain Transfers and Mergers. – Upon notice to and approval by the supplier, an individual owning an interest in a wholesaler may sell, assign or transfer that interest, including the wholesaler's rights under its franchise agreement with the supplier, to any qualified person. Likewise, a wholesaler may merge with another wholesaler in the State, transferring to the new wholesaler entity the merging wholesaler's existing franchise rights. Within 30 days of receipt of notice of the intended sale, assignment, transfer, or merger, the supplier shall request any additional relevant, material information reasonably necessary for deciding whether to approve the transaction. The supplier shall have 30 days from receipt of that information to object to the sale, assignment, transfer, or merger. The supplier may object only if the proposed transferee, or the wholesalership resulting from the merger, fails to meet qualifications and standards that are nondiscriminatory, material, reasonable and consistently applied to North Carolina wholesalers by the supplier. The burden shall be upon the supplier to prove that the proposed transferee or merged wholesaler is not qualified. In determining whether the proposed transferee or merged wholesaler is a qualified person, the supplier shall consider, but is not limited to, the following factors:

(1) Whether the proposed transferee has the financial capacity to purchase the wholesaler or the specified interest upon terms that will not jeopardize the future operation of the business, or whether the new entity resulting from a merger will have such financial capacity to operate successfully, and whether under such ownership the wholesaler will be able to provide financial support necessary to the successful operation of the business, including market spending, capital expenditures, and any equity capitalization or refinancing requirements.

(2) Whether the proposed transferee, or the new entity resulting from a merger, has the proven business experience to hire and maintain a management team to successfully operate the business.

(3) If the proposed transferee does not have experience in the beer business, whether the transferee has other experience to enable it to operate a distributorship successfully and whether the transferee is willing to participate in training provided by the supplier.

(4) Whether the proposed transferee, or a party to the merger, already is a wholesaler for the supplier in a different territory and, if so, whether sufficient time and attention can be devoted to an additional market area.

In determining whether a proposed transferee, or the entity resulting from a merger, is a qualified person, a supplier must consider the business on its own merits and may not designate a specifically identified person as the only purchaser who will be approved. Nothing in this subsection is intended to or should be construed to authorize a supplier to match and reassign to a designee the right to purchase the ownership interest, subject to the designee purchasing the ownership interest. Provided, however, a supplier may match and reassign to a designee the right to purchase the ownership interest, subject to the designee purchasing the ownership interest at the price and on the conditions applicable to the purchase proposed by the transferee, if the total annual

gross sales of the supplier's malt beverages sold by the selling wholesaler total no more than five percent (5%) of the selling wholesaler's total annual gross sales of wine and malt beverages in dollars.

(c) Damages. – A supplier who disapproves or prevents a proposed assignment or change of ownership or merger in violation of this section shall be liable to the wholesaler who proposed to make the sale, assignment, transfer, or merger for the difference between the disapproved sale price and a subsequent actual price of a sale of the same assets completed within a reasonable period. If, however, the proposed transfer or sale was to a business associate at a bargain price, the amount of compensation shall be at least the fair market value of the interest proposed to be sold or transferred, minus the proceeds of an actual sale of the interest completed within a reasonable time. (1989, c. 142, s. 1; 2012-4, s. 1; 2018-100, s. 7(a).)

§ 18B-1308. Article part of all franchise agreements.

The provisions of this Article shall be part of all franchise agreements as defined in G.S. 18B-1302 and may not be altered by the parties. A wholesaler's rights under this Article may not be waived or superseded by the provisions of a written franchise agreement prepared by a supplier that are in any way inconsistent with or contrary to any part of this Article. The rights of a wholesaler under this Article shall remain in effect regardless of a provision in a written franchise agreement prepared by a supplier that purports to require arbitration of a franchise dispute or that purports to require legal remedies to be sought in a different jurisdiction. (1989, c. 142, s. 1; 2012-4, s. 1.)

§ 18B-1309. Mediation at direction of Alcoholic Beverage Control Commission.

If a dispute arises between a wholesaler and supplier under this Article, and such dispute appears likely to lead to litigation, the Commission, upon request of any party or on its own initiative, may require the parties to participate in mediation in an effort to resolve the dispute. This authority shall be in addition to the Commission's authority to issue declaratory rulings pursuant to G.S. 150B-4. The Commission may designate the mediator, in which case the Commission shall pay the mediator's fee, or the Commission may direct the parties to agree upon and share the costs of a mediator. If the parties then cannot agree upon a mediator, the Commission shall designate the mediator, and the fees shall be divided evenly by the parties. The Commission shall direct that the mediation be completed within a specified period of time. Except for injunctive relief, no lawsuit or other legal action concerning the dispute may be filed until the mediation is completed and is unsuccessful, unless necessary to avoid expiration of a statute of limitation. (2012-4, s. 1.)