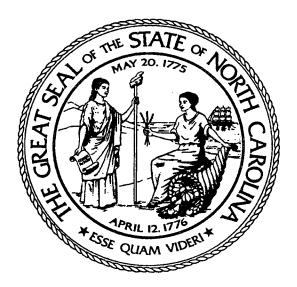
# LEGISLATIVE

# **RESEARCH COMMISSION**

# ALCOHOLIC BEVERAGE CONTROL COMMITTEE



REPORT TO THE 1995 GENERAL ASSEMBLY OF NORTH CAROLINA

#### A LIMITED NUMBER OF COPIES OF THIS REPORT IS AVAILABLE FOR DISTRIBUTION THROUGH THE LEGISLATIVE LIBRARY.

ROOMS 2126, 2226 STATE LEGISLATIVE BUILDING RALEIGH, NORTH CAROLINA 27611 TELEPHONE: (919) 733-7778

OR

ROOM 500 LEGISLATIVE OFFICE BUILDING RALEIGH, NORTH CAROLINA 27603-5925 TELEPHONE: (919) 733-9390

### TABLE OF CONTENTS

LETTER OF TRANSMITTAL i
LEGISLATIVE RESEARCH COMMISSION MEMBERSHIPii
PREFACE1
COMMITTEE PROCEEDINGS
FINDINGS AND RECOMMENDATIONS: LEGISLATIVE PROPOSAL I A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE RESEARCH COMMISSION COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL Section-by-Section Analysis of the Bill
APPENDICES
RELEVANT PORTIONS OF UNRATIFIED H.B. 1319 (2ND EDITION) OF THE 1993 SESSION, THE STUDIES BILL
MEMBERSHIP OF THE LRC COMMITTEE ON ALCOHOLIC BEVERAGE CONTROLB-1

## NORTH CAROLINA GENERAL ASSEMBLY STATE LEGISLATIVE BUILDING RALEIGH 27611



January 11, 1995

#### TO THE MEMBERS OF THE 1995 GENERAL ASSEMBLY:

The Legislative Research Commission herewith submits to you for your consideration its final report on Alcoholic Beverage Control. The report was prepared by the Legislative Research Commission's Committee on Alcoholic Beverage Control pursuant to G.S. 120-30.17(1).

Respectfully submitted,

Daniel T. Blue, Jr. Speaker of the House

ismit

Marc Basnight President Pro Tempore

Cochairmen Legislative Research Commission



#### 1993-1994

#### LEGISLATIVE RESEARCH COMMISSION

#### MEMBERSHIP

President Pro Tempore of the Senate Marc Basnight, Cochair

Senator Austin Allran Senator Frank W. Ballance, Jr. Senator R. L. Martin Senator J. K. Sherron, Jr. Senator Lura S. Tally Speaker of the House of Representatives Daniel T. Blue, Jr., Cochair

Rep. Harold J. Brubaker Rep. Marie W. Colton Rep. W. Pete Cunningham Rep. Bertha M. Holt Rep. Vernon G. James

ii

.

#### PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is the general purpose study group in the Legislative Branch of State Government. The Commission is cochaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

The Legislative Research Commission, prompted by actions during the 1993 Session, has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Cochairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Cochairs, one from each house of the General Assembly, were designated for each committee.

The study of Alcoholic Beverage Control would have been authorized by PART II, Section 2.1(42) of the 2nd Edition of House Bill 1319 which passed both chambers but inadvertently was among the bills not ratified at the end of the 1993 Session.

Part II of the 2nd Edition of House Bill 1319 would allow studies authorized by that Part for the Legislative Research Commission to consider House Bill 1093 in determining the nature, scope and aspects of the study.

Section 3 of House Bill 1093 reads in part:

-1-

The Commission shall study:

- (1) The current Alcoholic Beverage Control laws contained in Chapter 18B of the General Statutes to review the regulation of the distribution and sale of alcoholic beverages in this State; and
- (2) The need for a recodification or revision of existing laws to modify the regulation of the distribution and sale of alcoholic beverages in this State.

The relevant portions of the 2nd Edition of House Bill 1319 are included in Appendix A. The Legislative Research Commission authorized this study in the Fall of 1993 under authority of G.S. 120-30.17(1) and grouped this study in its Regulation Grouping area under the direction of Representative Harold J. Brubaker. (House Bill 1319 was later amended and ratified in 1994 with the Legislative Research Commission studies 2nd Edition language deleted because the Legislative Research Commission had already acted on these matters).

The Committee was chaired by Senator Jim Richardson until his retirement from the General Assembly and then by Senator J. Richard Conder and Representative Robert Hensley, Jr. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee is filed in the Legislative Library.

#### **COMMITTEE PROCEEDINGS**

The Legislative Research Commission Alcoholic Beverage Control Committee met four times; on January 27, 1994, April 28, 1994, November 30, 1994, and December 21, 1994. Detailed minutes of each of these meetings is included in a notebook which also contains all handouts provided to members of the Committee. The notebook is available in the Legislative Library in the Legislative Office Building.

#### January 27, 1994

At the first meeting, January 27, 1994, the Committee heard a presentation, by Kenneth T. Levenbook, Committee CoCounsel on the history of alcoholic beverage control in North Carolina which was substantially based on an article written by Ben F. Loeb, Jr. in the Spring 1993 edition of Popular Government.

The Committee heard a presentation by Brenda Carter, Committee CoCounsel on a Price Waterhouse survey that reviewed the different types of alcoholic regulation employed by the states, namely license states and control states. North Carolina is one of 18 control states as compared to 32 license states.

The Committee heard from Mr. A. Horace Deudney, Administrator of the North Carolina ABC Commission who described the current system of alcoholic beverage control. He told the Committee that the control system in North Carolina is a model for the other control states.

The Committee heard from Ms. Ann Fulton, Legal Counsel to the ABC Commission alerted the Committee to the need to make changes in the statutes to provide a more uniform system of issuing permits to hotels, entertainment and sports facilities, and other business seeking to sell liquor in this state.

-3-

The Committee heard from other representatives of interested parties including the Local ABC Boards, the Beer Wholesalers, and the Restaurant Association.

#### April 28, 1994

At the meeting of April 28, 1994, the Committee heard a presentation from Kenneth T. Levenbook, Committee CoCounsel covering several apparent problem areas in Chapter 18B. Those included, "statewide-local" provisions, local modifications of the distribution of revenues by local ABC boards, local modifications on ABC law enforcement, and social host liability.

Committee CoCounsel, Brenda Carter, then reviewed with the Committee recent changes in the alcoholic beverage control laws of Florida, Pennsylvania, South Carolina, and Virginia.

The Committee heard a presentation from Ms. Waldorf, from Chapel Hill, who presented a letter written by Chapel Hill mayor, Kenneth S. Broun, to Governor James B. Hunt, Jr. to allow local governments to regulate the carrying of open containers of alcoholic beverages. Ms. Waldorf explained that the current statutes prohibit the public consumption of alcoholic beverages by that enforcement is difficult because the enforcement officials must actually catch the person in the act of consuming the beverage. Ms. Waldorf proposed to ban all alcohol at all public events.

The Committee heard from Mr. T. Jerry Williams of the North Carolina Restaurant Association who urged the Committee to consider changing the required ratio of income from food to income from alcoholic beverages from fifty percent to forty percent for the benefit of smaller restaurants and deli establishments.

-4-

The Committee heard from Mr. Mitch Hazori of Mitch's Tavern who urged the Committee to consider a multi-level permitting process for restaurants, taverns, and bars.

#### November 30, 1994

The third meeting of the Committee, on November 30, 1994, was devoted to the consideration of seven proposed study drafts which included thirty modifications to Chapter 18B proposed by the legal staff of the ABC Commission in consultation with the Committee legal staff. After a lengthy discussion, the details of which are included in the minutes of the Committee, on file in the Legislative Library, the Committee approved the proposed legislation included in the next section of this report.

#### December 21, 1994

Pursuant to the rules of the Legislative Research Commission, the Committee, having had a week to review a copy of this final report, met to approve the report and the attached legislation for forwarding to the Legislative Research Commission and to the 1995 Session of the General Assembly.

The Committee also heard from various interested parties concerning the contents of the report and other recommendations for changes to Chapter 18B of the General Statutes. All people making presentations at this meeting had received prior notification that matters taken up at this meeting were for discussion purposes only and would not be acted on by the Committee.

-5-

#### FINDINGS AND RECOMMENDATIONS

The Committee approved the following bill containing twelve sections for forwarding on to the 1995 Session of the General Assembly through the Legislative Research Commission.

95-LK-015(11.30)

#### **GENERAL ASSEMBLY OF NORTH CAROLINA**

#### **SESSION 1995**

H/S

# 95-LK-015(11.30) (THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: ABC Study Committee Recommendations.

Sponsors: Representative Hensley/Senator Conder.

Referred to:

1		A BILL TO BE ENTITLED
2	AN ACT TO	IMPLEMENT THE RECOMMENDATIONS OF THE
3	LEGISLATIV	E RESEARCH COMMISSION COMMITTEE ON
4	ALCOHOLIC	BEVERAGE CONTROL.
5	The General Ass	embly of North Carolina enacts:
6	Sectio	on 1. G.S. 18B-101 reads as rewritten:
7	"§ 18B-101. De	efinitions.
8	As used in this	s Chapter, unless the context requires otherwise:
9	(1)	'ABC law' or 'ABC laws' means any statute or statutes in this
10		Chapter or in Article 2C of Chapter 105, and the rules issued
11		by the Commission under the authority of this Chapter.
12	(2)	'ABC permit' or 'permits' means any written or printed
13		authorization issued by the Commission pursuant to the
14		provisions of this Chapter, other than a purchase-
15		transportation permit. Unless the context clearly requires
16		otherwise, as in the provisions concerning applications for
17		permits, 'ABC permit' or 'permit' means a presently valid
18		permit.
19	(3)	'ABC system' means a local board and all ABC stores
20		operated by it, its law-enforcement branch, and all its
21		employees.
22	(4)	'Alcoholic beverage' means any beverage containing at least
23		one-half of one percent (0.5%) alcohol by volume, including

SESSION 1995

D

(Public)

II TO DE ENVERIER E

## GENERAL ASSEMBLY OF NORTH CAROLINA

1		malt beverages, unfortified wine, fortified wine, spirituous
2		liquor, and mixed beverages.
3	(5)	'ALE Division' means the Alcohol Law Enforcement Division
4		of the Department of Crime Control and Public Safety.
5	(5a)	'Bailment surcharge' means the charge imposed on each case
6		of liquor shipped from a Commission warehouse as provided
7		in G.S. 18B-208. This bailment surcharge is in addition to the
8		bailment charge imposed by G.S. 18B-804(b)(2).
9	(6)	'Commission' means the North Carolina Alcoholic Beverage
10		Control Commission established under G.S. 18B-200.
11	(7)	'Fortified wine' means any wine made by fermentation from
12		grapes, fruits, berries, rice, or honey, to which nothing has
13		been added other than pure brandy made from the same type
14		of grape, fruit, berry, rice, or honey that is contained in the
15		base wine, and which has an alcoholic content of not more
16		than twenty-four percent (24%) alcohol by volume.
17	(8)	'Local board' means a city or county ABC board, or local
18		board created pursuant to the provisions of G.S. 18B-703. A
19		local board is an independent local political subdivision of the
20		State. Nothing in this Chapter shall be construed as
21		constituting a local board the agency of a city or county or of
22		the Commission.
23	(9)	'Malt beverage' means beer, lager, malt liquor, ale, porter,
24	(-)	and any other brewed or fermented beverage containing at
25		least one-half of one percent $(0.5\%)$ , and not more than six
26		percent (6%), alcohol by volume.
27	(10)	'Mixed beverage' means either of the following:
28	(10)	a. A drink composed in whole or in part of spirituous
29		liquor and served in a quantity less than the quantity
30		contained in a closed package.
31		b. A premixed cocktail served from a closed package
32		containing only one serving.
33	(11)	'Nontaxpaid alcoholic beverage' means any alcoholic
34	(11)	beverage upon which the taxes imposed by the United States,
35		this State, or any other territorial jurisdiction in which the
36		alcoholic beverage was purchased have not been paid.
37	(12)	'Person' means an individual, firm, partnership, association,
38	(12)	corporation, limited liability company, other organization or
39		group, or other combination of individuals acting as a unit.
40	This change ad	ds limited liability companies authorized by Chapter 57C to
41		after October 1, 1994.]
42		'Sale' means any transfer, trade, exchange, or barter, in any
43	(13)	
чJ		manner or by any means, for consideration.

## GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

1	(1 <b>3a</b> )	'Special ABC area' means an area that meets all of the
2		following requirements:
3		a. Has fewer than 500 permanent residents.
4		b. Is located in a county that borders another state, that
5		has at least one city that has approved the operation of
6		an ABC store, and in which the sale of unfortified wine
7		and malt beverages is permitted countywide or in at
8		least two cities.
9		c. Contains more than 500 contiguous acres made up of
10		privately-owned land and land owned by an association
11		or a club that is exempt from income tax on its
12		membership income under Article 4 of Chapter 105 of
13		the General Statutes, has more than 200 members, was
14		created for municipal and recreational purposes, and,
15		for three or more years, has levied assessments or dues
16		and provided municipal services.
17	(14)	'Spirituous liquor' or 'liquor' means distilled spirits or ethyl
18		alcohol, including spirits of wine, whiskey, rum, brandy, gin
19		and all other distilled spirits and mixtures of cordials, liqueur,
20		and premixed cocktails, in closed containers for beverage use
21		regardless of their dilution.
22	(14a)	'Tourism ABC establishment' means a restaurant or hotel that
23		meets both of the following requirements:
24		a. Is located within 1.5 miles of the end of an entrance or
25		exit ramp of a junction on a national scenic parkway
26		designed to attract local, State, national, and
27		international tourists between Milepost 305 and 460.
28		b. Is located in a county in which the on-premises sale of
29		malt beverages or unfortified wine is authorized in at
30		least one city.
31	(15)	'Unfortified wine' means wine that has an alcoholic content
32		produced only by natural fermentation or by the addition of
33		pure cane, beet, or dextrose sugar, and that has an alcoholic
34		content of not more than seventeen percent (17%) alcohol by
35		volume, sugar."
36		nforms the definition of unfortified wine to the federal law.]
37		2. G.S. 18B-500(a) reads as rewritten:
38	"(a) Appointr	nent The Secretary of Crime Control and Public Safety shall
39	appoint alcohol	law-enforcement agents and other enforcement personnel. The
40	Secretary of C	rime Control and Public Safety may also appoint regular
41	employees of t	he Commission as alcohol law-enforcement agents. Alcohol
42		t agents shall be designated as 'alcohol law-enforcement
43	agents.'"	

1 [This change provides for the clear identification of the type of officer 2 enforcing the ABC laws.]

3

Sec. 3. G.S. 18B-501(a) reads as rewritten:

4 "(a) Appointment. -- Except as provided in subsection (f), each local board 5 shall hire one or more ABC enforcement officers. Local ABC enforcement officers shall be designated as 'ABC Officers.' The local board may designate 6 7 one officer as the chief ABC officer for that board."

8 [This change provides for the clear identification of the type of officer 9 enforcing the ABC laws.]

10

Sec. 4. G.S. 18B-501(f) reads as rewritten:

11 "(f) Contracts with Other Agencies. -- Instead of hiring local ABC officers, 12 a local board may contract to pay its enforcement funds to a sheriff's 13 department, city police department, or other local law-enforcement agency for 14 enforcement of the ABC laws within the law-enforcement agency's territorial 15 jurisdiction. Enforcement agreements may be made with more than one 16 agency at the same time. When such a contract for enforcement exists, the 17 officers of the contracting law-enforcement agency shall have the same 18 authority to inspect under G.S. 18B-502 that an ABC officer employed by that 19 local board would have. If a city located in two or more counties approves the 20 sale of some type of alcoholic beverage pursuant to the provisions of G.S. 21 18B-600(e4), and there are no local ABC boards established in the city and 22 one of the counties in which the city is located, the local ABC board of any 23 county in which the city is located may enter into an enforcement agreement 24 with the city's police department for enforcement of the ABC laws within the 25 entire city, including that portion of the city located in the county of the ABC 26 board entering into the enforcement agreement."

27 [This change clarifies that an officer enforcing the ABC laws has authority 28 within the jurisdiction of his law-enforcement agency, not within the area 29 served by the local ABC board contracting for law-enforcement services.]

30

Sec. 5. G.S. 18B-603(d) reads as rewritten:

31 "(d) Mixed Beverage Elections. -- If a mixed beverage election is held 32 under G.S. 18B-602(h) and the sale of mixed beverages is approved, the 33 Commission may issue permits to qualified persons and establishments in the 34 jurisdiction that held the election as follows:

- 35 36

The Commission may issue mixed beverage permits. (1) (2) The Commission may issue on-premises malt beverage,

- 37 unfortified wine, and fortified wine permits for establishments with mixed beverage permits, regardless of any other election 38 39 or any local act concerning sales of those kinds of alcoholic 40 beverages.
- 41 (3) The Commission may issue off-premises malt beverage 42 permits to any establishment that meets the requirements 43 under G.S. 18B-1001(2) in any township which has voted to 44 permit the sale of mixed beverages, regardless of any other

## GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

1	local act concerning sales of those kinds of alcoholic
2	beverages. The Commission may also issue off-premises
3	unfortified wine permits to any establishment that meets the
4	requirements under G.S. 18B-1001(4) in any township which
5	has voted to permit the sale of mixed beverages, regardless of
6	any other local act concerning sales of those kinds of
7	alcoholic beverages.
8	(4) The Commission may issue brown-bagging permits for private
9	clubs and congressionally chartered veterans organizations but
10	may no longer issue and may not renew brown-bagging
11	permits for restaurants, hotels, and community theatres. A
12	restaurant, hotel, or community theatre may not be issued a
13	mixed beverage permit under subdivision (1) until it
14	surrenders its brown-bagging permit.
15	(5) The Commission may continue to issue culinary permits for
16	establishments that do not have mixed beverage permits. An
17	establishment may not be issued a mixed beverage permit
18	under subdivision (1) until it surrenders its culinary permit.
19	In any county in which the sale of mixed beverages has been approved in
20	elections in at least three cities that, combined, contain more than two-thirds
21	the total county population as of the most recent federal census, the county
22	board of commissioners may by resolution approve the sale of mixed beverages
23	throughout the county, and the Commission may issue permits as if mixed
24	beverages had been approved in a county election.
25	In a mixed beverages election held pursuant to G.S. 18B-600(b) or G.S.
26	18B-600(e)(2)(b), no mixed beverages permits may be issued pursuant to this
27	section unless the voters approve the operation of ABC stores."
28	[This change provides assurance that if the voters approve the sale of mixed
29	beverages, then there will be a ABC store from which the permittees may
30	purchase the liquor for the mixed beverages.]
31	Sec. 6. G.S. 18B-900(c) reads as rewritten:
32	"(c) Who Must Qualify; Exceptions For an ABC permit to be issued to
33	and held for a business, each of the following persons associated with that
34	business must qualify under subsection (a):
35	(1) The owner of a sole proprietorship;
36	(2) Each member of a firm, association or general partnership;
37	(2a) Each general partner in a limited partnership;
38	(2b) Each manager and any member with a twenty-five percent
39	(25%) or greater interest in a limited liability company;
40	[This change conforms the treatment of limited liability companies to the
41	treatment of corporations for the qualification for the issuance of permits.]
42	(3) Each officer, director and owner of twenty-five percent (25%)
43	or more of the stock of a corporation except that the
44	requirement of subdivision (a)(1) does not apply to such an

1	officer, director, or stockholder unless he is a manager or is
2	otherwise responsible for the day-to-day operation of the
3	business;
4	(4) The manager of an establishment operated by a corporation
5	other than an establishment with only off-premises malt
6	beverage, off-premises unfortified wine, or off-premises
7	fortified wine permits;
8	(5) Any manager who has been empowered as attorney-in-fact for
9	a nonresident individual or partnership."
9 10	Sec. 7. G.S. 18B-902(e) reads as rewritten:
	"(e) Fee for Combined Applications If application is made at the same
11	time for retail malt beverage, unfortified wine and fortified wine permits for a
12	single business location, the total fee for those applications shall be two
13	hundred dollars (\$200.00). If application is made at the same time for brown-
14	bagging and special occasion permits for a single business location, the total
15	fee for those applications shall be three hundred dollars (\$300.00). If
16	application is made at the same time for wine and malt beverage importer
17	permits, the total fee for those applications shall be one hundred fifty dollars
18	(\$150.00). If application is made at the same time for wine and malt beverage
19	wholesaler permits, the total fee for those applications shall be one hundred
20 21	fifty dollars (\$150.00). If application is made in the same year for ventor
22	representative permits to represent more than one vendor, only one fee shall be
22	paid. If application is made at the same time for nonresident malt beverage
24	vendor and nonresident wine vendor permits, the total fee for those
25	applications shall be twenty-five dollars (\$25.00)."
26	[This change provides that a fee shall be paid for each permit issued since
27	the costs of processing each of multiple permits is the same as processing a
28	single permit.]
29	Sec. 8. G.S. 18B-1001(10) reads as rewritten:
30	" (10) Mixed Beverages Permit A mixed beverages permit
31	authorizes the retail sale of mixed beverages for consumption
32	on the premises. The permit also authorizes a mixed
33	beverages permittee to obtain a purchase-transportation
34	permit under G.S. 18B-403 and 18B-404, and to use for
35	culinary purposes spirituous liquor lawfully purchased for use
36	in mixed beverages. The permit may be issued for any of the
37	following:
38	a. Restaurants;
39	b. Hotels;
40	c. Private clubs;
41	d. Convention centers;
42	e. Community theatres;
43	f. Nonprofit and political organizations. organizations;
44	and

.

## GENERAL ASSEMBLY OF NORTH CAROLINA

1	g. Political organizations."
2	[This change clarifies that nonprofit organizations need not be political
3	organizations and political organizations need not be nonprofit
4	organizations.]
5	Sec. 9. G.S. 18B-1007(b) reads as rewritten:
6	"(b) Handling Bottles It shall be unlawful for a mixed beverages
7	permittee or the permittee's agent or employee to do any of the following:
8	(1) Store any other spirituous liquor with liquor possessed for
9	resale in mixed beverages or from a guest room cabinet.
10	(2) Refill any spirituous liquor container having a mixed
11	beverages tax stamp with any other alcoholic beverage, or add
12	to the contents of such a container any other alcoholic
13	beverage.
14	(3) Transfer from one container to another a mixed beverages tax
15	stamp.
16	(4) Possess any container of spirituous liquor not bearing a mixed
17	beverages tax stamp, except for containers being brought onto
18	the premises by the host of a private function under a special
19	occasion permit."
20	[This change provides specific authorization for enforcement of prohibition
21	on mixed beverage permittees possessing liquor on which the required taxes
22	have not been paid.]
23	Sec. 10. G.S. 18B-1301 reads as rewritten:
24	"§ 18B-1301. Definitions.
25	(1) "Supplier" means a brewer, fermenter, processor, bottler,
26	packager or importer of malt beverages, including anyone
27	who holds a brewery, malt beverages importer or nonresident
28	malt beverages vendor permit.
29	[This change eliminates unused classifications.]
30	(2) "Wholesaler" means the holder of a malt beverages
31	wholesaler permit."
32	Sec. 11. G.S. 18B-1303(a) reads as rewritten:
33	"(a) Filing It is unlawful for a supplier to provide malt beverages to a
34	wholesaler unless a distribution agreement has been filed with the Commission
35	has received notification from the supplier describing designating the brands of
36	the supplier which the wholesaler is authorized to sell and the territory in
37	which such sales may take place. If the supplier sells several brands, the
38	agreement need not apply to all brands. No supplier may provide by a
39	distribution agreement for the distribution of a brand to more than one
40	wholesaler for the same territory. A wholesaler shall not distribute any brand
41	of malt beverage to a retailer whose premises are located outside the territory
42	specified in the wholesaler's distribution agreement for that brand. A
43	wholesaler may, however, with the approval of the Commission distribute malt
44	beverages outside his designated territory during periods of temporary service

interruption when requested to do so by the supplier and the wholesaler whose
service is interrupted."

3 [This change removes the requirement that the parties of the distribution

4 agreement, under the Beer Franchise Law, provide copies of often 5 voluminous agreements when the designation of the brands and territories

6 is the only significant information required by the ABC Commission.]

7

Sec. 12. This act becomes effective October 1, 1995.

#### APPENDIX A

#### HOUSE BILL 1319, 2ND EDITION

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE AND CONTINUE VARIOUS COMMITTEES AND COMMISSIONS, AND TO DIRECT VARIOUS STATE AGENCIES TO STUDY SPECIFIED ISSUES.

The General Assembly of North Carolina enacts:

#### PART I.----TITLE

Section 1. This act shall be known as "The Studies Act of 1993".

#### PART II.-----LEGISLATIVE RESEARCH COMMISSION

Sec. 2.1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the 1993 bill or resolution that originally proposed the issue or study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope, and aspects of the study. The topics are:

(42) Alcoholic Beverage Control Laws (H.B. 1093 - Hensley),

. . .

. . .

Sec. 2.2. Committee Membership. For each Legislative Research Commission Committee created during the 1993-94 biennium, the cochairs of the Commission shall appoint the Committee membership.

Sec. 2.3. Reporting Dates. For each of the topics the Legislative Research Commission decides to study under this act or pursuant to G.S. 120-30.17(1), the Commission may report its findings, together with any recommended legislation, to the 1994 Regular Session of the 1993 General Assembly or the 1995 General Assembly, or both.

Sec. 2.4. Bills and Resolution References. The listing of the original bill or resolution in this Part is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

Sec. 2.5. Funding. From the funds available to the General Assembly, the Legislative Services Commission may allocate additional monies to fund the work of the Legislative Research Commission.

•••

A-1

#### PART XI.----APPROPRIATION FOR STUDIES

Sec. 11.1. From the appropriations to the General Assembly for studies, the Legislative Services Commission may allocate funds to conduct the studies authorized by this act.

PART XII.----EFFECTIVE DATE

Sec. 12.1. This act is effective upon ratification. Part VI of this act is repealed on June 30, 1995.

#### **APPENDIX B**

#### MEMBERSHIP OF LRC COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL

#### ALCOHOLIC BEVERAGE CONTROL MEMBERSHIP 1993 - 1994

LRC Member: Rep. Harold J. Brubaker 138 Scarboro Street Asheboro, NC 27203 (919)629-5128

#### **President Pro Tempore Appointments**

Sen. J. Richard Conder, Cochair P.O. Box 1627 Rockingham, NC 28379 (910)997-5551

Mr. Melvin Daniel P.O. Box 346 Elizabeth City, NC 27909

Sen. Ollie Harris P.O. Box 639 Kings Mountain, NC 28086 (704)739-2591

Sen. Fletcher L. Hartsell, Jr. P.O. Box 368 Concord, NC 28026-0368 (704)786-5161

Mr. Jim Hobbs Rt. 5, Box 438 Zebulon, NC 27597

Sen. David W. Hoyle P.O. Box 2494 Gastonia, NC 28053 (704)867-0822

#### **Speaker's Appointments**

Rep. Robert Hensley, Jr., Cochair 124 St. Mary's Street Raleigh, NC 27605 (919)832-9651 1

Rep. James B. Black 417 Lynderhill Lane Matthews, NC 28105 (704)377-5936

Rep. Robert Grady 107 Jean Circle Jacksonville, NC 28540 (910)363-3579

Rep. Joseph S. Lemmond P.O. Box 961 Matthews, NC 28106 (704)847-4439

Rep. Henry M. Michaux, Jr. P.O. Box 2152 Durham, NC 27702 (919)596-8181

Rep. Richard T. Morgan 570 Pinehurst South Pinehurst, NC 28374 (910)295-4575

Rep. Jane H. Mosley 513 Carolyn Court Cary, NC 27511 (919)831-3019 Sen. Ted Kaplan 1117 Glousman Road Winston-Salem, NC 27104 (910)659-9651

Mr. Mike Kelly P.O. Box 1089 Nags Head, NC 27959

Mr. David T. Sparrow P.O. Box 908 Washington, NC 27889

Staff:

Clerk:

Ms. Molly Freeman 420 Legislative Office Bldg (O): (919) 715-3001 (H): (919) 846-8229

Rep. Ronnie N. Sutton

Pembroke, NC 28372

Rt<sup>-</sup>1, Box 154

(910)521-3413

Ms. Brenda Carter Research Division (919)733-2578

Mr. Ken Levenbook Bill Drafting Division (919)733-6660

