

Alcoholic Beverage Control

See full summary documents for additional detail

H99 - Transfer ALE/Move Boxing Advisory Commission.

Part I: Transfer Ale. (SL 2019-203)

Part I of S.L. 2019-203 relocates the Alcohol Law Enforcement Branch (ALE) from within the State Bureau of Investigation (SBI) to create a new Division of the Department of Public Safety and clarifies the jurisdiction of ALE agents. Co-location of SBI/ALE offices will continue until funding is appropriated.

This act became effective October 1, 2019.

H130 - Allow Game Nights. (SL 2019-13)

S.L. 2019-13 authorizes nonprofit organizations and some employers and trade associations to operate "game nights" where games of chance are played, and prizes are awarded by raffle at facilities serving alcoholic beverages. This act requires a permit to operate a game night, and places restrictions and limitations on who may operate a game night, where it may be operated, and how often they may be operated. Please see the full summary for details of these requirements.

This act became effective June 1, 2019.

H363 - Craft Beer Distribution and Modernization Act. (SL 2019-18)

S.L. 2019-18 allows brewery permittees that sell fewer than 100,000 barrels of malt beverages produced by the brewery each year to self-distribute up to 50,000 barrels of malt beverages manufactured by the brewery per year to unaffiliated retail permittees. This act also provides that only breweries that sell fewer than 25,000 barrels of malt beverages produced by the brewery per year may terminate a franchise agreement in the absence of good cause.

This act became effective May 30, 2019.

H389 - ABC/Univ Athletic Facility. (SL 2019-52)

S.L. 2019-52 authorizes public colleges and universities to allow alcohol sales at stadiums, athletic facilities, and arenas located on school property with the approval of the Board of Trustees. Only malt beverages and wine may be sold when the facility is being used for a sports event sponsored by the public college or university. This act does not apply to community colleges. See the full summary for additional requirements.

This act became effective June 26, 2019.

S11 - ABC Regulation and Reform. (SL 2019-49)

S.L. 2019-49 makes the following changes to the alcoholic beverage control laws:

- Requires second or third violations of the ABC laws not involving acts of violence, a controlled substance, or prostitution to occur within three years in order to result in the imposition of fines.
- Increases the maximum fines for violations of the ABC laws involving acts of violence, a controlled substance, or prostitution occurring upon the premises, and for these types of violations, authorizes the ABC Commission (Commission) to impose conditions on the operating hours of a business.
- Increases from \$5,000 to \$10,000 the maximum amount the Commission can accept in compromise in lieu of a permit revocation for certain violations.
- Repeals the Commission's authority to issue a permit to a person at least 19 years old who is a manager of a business, thereby requiring all persons to be at least 21 years old to obtain an ABC permit.
- Allows permittees to seek review of Commission permit decisions before an administrative law judge.
- Modifies the Commission's authority to summarily suspend or revoke a permit upon receiving certain information regarding an undercover investigation.
- Changes the definition of a "private club" to include only establishments that are 501(c) businesses and that have been in operation for at least 12 months before applying for an ABC permit.
- Creates a new definition of "private bar" and exempts them from regulation as a food and lodging establishment in the same way that "private clubs" are exempt from such regulation.
- Provides that permits issued to "private clubs," as defined before this act becomes law, are grandfathered and eligible for renewal as a private bar or a private club, as applicable under the new definitions of those terms.

This act has various effective dates. Please see the full summary for more detail.

S290 - ABC Regulatory Reform Bill. (SL 2019-182)

S.L. 2019-182 makes the following changes to the alcohol laws:

- Allows the holder of a distillery permit to obtain permits for on-premises malt beverage, on-premises unfortified wine, on-premises fortified wine, and mixed beverages and sell those types of alcoholic beverages for consumption at the distillery.
- Allows the holder of a distillery permit to sell mixed beverages for consumption at the distillery. If a distillery elects to sell mixed beverages containing spirituous liquor other than that produced at the distillery, the distillery must obtain a mixed beverages permit.
- Authorizes ABC stores to allow the purchase of individual bottles of spirituous liquor purchased through the special order process, and to sell in store any bottles received in excess of what was purchased by the requesting customer.
- Directs local ABC boards to fulfill an order by a mixed beverages permittee for individual bottles or cases of spirituous liquor produced by an eligible distillery that are listed a regular code item for sale in the State.
- Allows distilleries to issue purchase-transportation permits for spirituous liquor sold by the distillery, and allows ABC store employees to issue purchase-transportation permits, if authorized by the local board chairman.
- Allows spirituous liquor tastings to be conducted in ABC stores, subject to several limitations.

- Allows retail permit holder private label brands of malt beverages to be sold exclusively to the retailer that owns the brand name or to all retail permit holders within each territory without discrimination, at the retail permit holder's discretion.
- Provides that a contract brewery that manufactures malt beverages is responsible for all aspects associated with manufacturing the product, subject to the rules of the Commission and the Department of Revenue.
- Allows malt beverage tastings at farmers markets.
- Allows on-premises or off-premises malt beverage permittees to transfer malt beverages to another on-premises or off-premises malt beverage permittee that is under common ownership or control of the transferor. The permittee is limited to no more than four such transfers per calendar year.
- Directs the Commission to increase the maximum allowed discount for malt beverages and wine from 25% to 35%.
- Defines "premises" to mean 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.
- Authorizes the sale of up to two alcoholic drinks at one time to a patron, if the alcoholic drinks does not contain spirituous liquor.
- Allows the sale and consumption of alcohol at bingo games.
- Exempts breweries not engaged in the preparation of food on the premises from the health code regulations governing the sanitation of establishments that prepare or serve drink or food for pay.
- Prohibits any jurisdiction located in a county that already has an ABC board from holding an ABC store election unless they negotiate a merger with an existing ABC board and makes those details available to the public prior to the election.
- Requires local ABC boards to accept electronic payments in the form of debit cards or electronic transfer, but not by credit card or charge card, for any spirituous liquor purchased by a mixed beverage permittee.
- Requires the Commission to make all forms required to apply for and receive a permit available on the Commission's Web site, and allow for electronic submission of those forms to the extent practicable, including submission with an electronic signature.
- Creates a common area entertainment permit for common areas in multi-tenant establishments, which allows customers to exit a permitted premises with an open container and consume the alcohol in the common area of a multi-tenant establishment.
- Creates a delivery service permit, which allows a permit holder's employee or independent contractor to deliver malt beverages, unfortified wine, or fortified wine on behalf of a retailer to an individual purchaser.
- Allows breweries to sell the malt beverages owned by the brewery for on- or off-premises consumption, regardless of the results of any malt beverage election, upon obtaining the appropriate permit.
- Allows sports and entertainment venues to obtain on-premises fortified wine and special occasion permits.
- Repeals the purchase-transportation permit requirement for mixed beverage permittees for fortified wine and spirituous liquor and allows any amount to be purchased and transported by mixed beverage permittees, an employee of a mixed beverage permittee, or an employee of a local board transporting to a mixed beverage permittee.
- Requires the Commission to make quarterly reports, beginning October 15, 2019, to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety detailing the progress made in bidding and selecting an independent contractor for the receipt, storage, and distribution of spirituous liquor at and from the State warehouse.
- Allows local ABC boards to use their own employees or contract with an independent contractor to provide delivery of spirituous liquor purchased by a mixed beverage permittee.
- Directs the Program Evaluation Division (PED) to study the actions the Alcoholic Beverage Control Commission is authorized to take for violations of Chapter 18B of the General Statutes.

Sections 26 and 29 of this act became effective July 29, 2019. Except as otherwise provided, the remainder of this act became effective September 1, 2019.

S553 - Regulatory Reform Act of 2019. (Ratified)

Senate Bill 553 would amend several State laws as follows:

- Raise the dollar threshold for contracts exempted from the conflict-of-interest prohibition for public employees benefitting from public contracts from \$40,000 to \$60,000 for goods and services that are not medically related.
- Direct the Building Code Council to amend the Building Code and Plumbing Code for certain regulations concerning drinking fountains and water closets.
- Direct the Building Code Council to amend the Fire Prevention Code to allow certain doorstep garbage and recycling containers.
- Require all occupational licensing boards with continuing education requirements to study and report on any available options for online continuing education.
- Exempt Onslow and Rockingham Counties from the list of counties required to conduct vehicle emissions testing.
- Create a process for counties to permit temporary event venues in certain situations.
- Require NC Pre-K operators to provide parents with information pertaining to public and private school choices in their county or any other county.
- Clarify landfill life-of-site franchise requirements.
- Repurpose pre-regulatory landfill funds.
- Direct the Department of Environmental Quality to study and report on express permitting expansion for certain programs.
- Extend the deadline for Coastal Area Management Act Emergency General Permits authorized in response to Hurricanes Florence and Michael to October 12, 2019, with all work to be completed by October 12, 2020.
- Provide additional criteria for determining priority for grants from the Wastewater Reserve or the Drinking Water Reserve.
- Amend the septic tank site suitability determination process.
- Establish a process to identify and assess distressed public water and wastewater systems and create a Viable Utility Fund within the Department of Environmental Quality to be used to assist distressed systems to become self-sustaining.
- Expand the architectural license exemption for small commercial projects.
- Direct the Department of Revenue to provide information to the Revenue Laws Study Committee concerning the property taxation of outdoor signs.
- Require that electric membership cooperatives and their subsidiaries comply with applicable notice, safety, and permitting requirements when constructing or maintaining broadband lines.
- Authorize cities to require that manufactured homes be installed in accordance with certain standards, but prohibit cities from requiring masonry curtain walls or skirting being installed on manufactured homes on land leased to the homeowner.
- Authorize the Division of Motor Vehicles to issue a limited registration plate to a vehicle owner in certain situations.
- Require that the State Board of Elections certify voting systems only if a performance bond or letter of credit has been posted.
- Allow a dealer to sell, without a safety inspection, a salvage-titled vehicle in certain circumstances.
- Direct the Division of Motor Vehicles to study whether the laws governing salvage vehicles should be revised to protect consumers from unsafe vehicles.
- Allow the sale of alcoholic beverages at certain stadiums.

- Direct the Division of Emergency Management within the Department of Public Safety to study the needs of law enforcement and first responders to improve access to the interstate system.
- Make technical changes to the statutes governing the North Carolina Board of Architecture and the criteria necessary to sit for the architecture licensure exam.
- Add aquaculture to the uses that may be made of flood hazard areas without a permit.
- Clarify that proof of mailing is sufficient proof of notice for certain insurance policy or renewal cancellations by the insurer.
- Allow the Department of Agriculture and Consumer Services to use funds appropriated to it to provide a non-federal match for any project that has been or will be approved for funding by the USDA Emergency Watershed Protection Act.

This bill was vetoed by the Governor on September 20, 2019, has not been overridden by the General Assembly, and, therefore, has not become law.

S572 - University System Risk Management Provisions. (SL 2019-232)

S.L. 2019-232 authorizes public universities to obtain liability insurance for alcohol sales.

This act became effective October 18, 2019.