

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H

1

HOUSE BILL 781

Short Title: Bring Business Back to Downtown. (Public)

Sponsors: Representatives Moffitt, Reives, Tyson, and Moss (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

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

May 4, 2021

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A CITY OR COUNTY TO DESIGNATE SOCIAL DISTRICTS WHERE PERSONS MAY POSSESS AND CONSUME ALCOHOLIC BEVERAGES PURCHASED FROM CERTAIN ABC PERMITTEES AND TO AUTHORIZE A CITY OR COUNTY TO ALLOW CERTAIN ABC PERMITTEES TO EXTEND THEIR LICENSED PREMISES FOR PURPOSES OF MAINTAINING SOCIAL DISTANCING.

The General Assembly of North Carolina enacts:

PART I. AUTHORIZATION OF SOCIAL DISTRICTS

SECTION 1.1. Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ 153A-145.9. Authorization of social district.

A county may adopt an ordinance designating a social district for use in accordance with G.S. 18B-904.1."

SECTION 1.2. Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-205.4. Authorization of social district.

A city may adopt an ordinance designating a social district for use in accordance with G.S. 18B-904.1."

SECTION 1.3. Article 9 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-904.1. Authorization and regulation of social districts.

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

(1) 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 distillery permit issued pursuant to G.S. 18B-1100(5).



1 (2) Social district. – A defined outdoor area in which a person may consume
2 alcoholic beverages sold by a permittee. This term does not include the
3 permittee's licensed premises or an extended area allowed under
4 G.S. 18B-904(h).

5 (b) Authorization. – Pursuant to G.S. 153A-145.9, a county may adopt an ordinance
6 designating a social district in the parts of the county outside any city. Pursuant to
7 G.S. 160A-205.4, a city may adopt an ordinance designating a social district.

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

10 (1) The social district shall be clearly defined with signs posted in a conspicuous
11 location indicating which area is included in the social district, the days and
12 hours during which alcoholic beverages may be consumed in the social
13 district, the telephone number for the ALE Division and the local law
14 enforcement agency with jurisdiction over the area comprising the social
15 district, and a clear statement that an alcoholic beverage purchased for
16 consumption in a social district shall (i) only be consumed in the social district
17 and (ii) be disposed of before the person in possession of the alcoholic
18 beverage exits the social district unless the person is reentering the licensed
19 premises where the alcoholic beverage was purchased. The hours set by a city
20 or county during which alcoholic beverages may be consumed in a social
21 district shall be in accordance with G.S. 18B-1004.

22 (2) The city or county shall establish management and maintenance plans for the
23 social district and post these plans, along with a rendering of the boundaries
24 of the social district and days and hours during which alcoholic beverages may
25 be consumed in the social district, on the website for the city or county. The
26 social district shall be maintained in a manner that protects the health and
27 safety of the general public.

28 (3) The city or county shall submit to the Commission a detailed map of the social
29 district with the boundaries of the social district clearly marked and the days
30 and hours during which alcoholic beverages may be consumed in the social
31 district.

32 (d) Requirements for Sale of Alcoholic Beverages. – A permittee located in or contiguous
33 to a social district may sell alcoholic beverages for consumption within the social district it is
34 located in or contiguous to in accordance with the following requirements:

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

37 (2) The permittee shall only sell alcoholic beverages for consumption in the social
38 district in a container that meets all of the following requirements:

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

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

43 c. The container is not comprised of glass.

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

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

47 (3) The permittee shall not allow a person to enter or reenter its licensed premises
48 with an alcoholic beverage not sold by the permittee.

49 (e) Requirements for Possession and Consumption of Alcoholic Beverages. – The
50 possession and consumption of an alcoholic beverage in a social district is subject to all of the
51 following requirements:

- 1 (1) Only alcoholic beverages purchased from a permittee located in or contiguous
2 to the social district may be possessed and consumed.
- 3 (2) Alcoholic beverages shall only be in containers meeting the requirements set
4 forth in subsection (d) of this section.
- 5 (3) Alcoholic beverages shall only be possessed and consumed during the days
6 and hours set by the city or county in accordance with subsection (b) of this
7 section.
- 8 (4) A person is not allowed to consume more than one alcoholic beverage at a
9 time while within the social district. Nothing in this subdivision shall be
10 construed as authorizing the sale and delivery of alcoholic beverage drinks in
11 excess of the limitation set forth in G.S. 18B-1010.
- 12 (5) A person shall dispose of any alcoholic beverage in the person's possession
13 prior to exiting the social district unless the person is reentering the licensed
14 premises where the alcoholic beverage was purchased.
- 15 (f) Additional Requirements. – The Commission may adopt rules to impose requirements
16 in addition to the requirements set forth in subsections (c) through (e) of this section."
17

18 **PART II. MAKE PERMANENT THE EXPANSION OF LICENSED PREMISES FOR** 19 **PURPOSES OF OUTDOOR SEATING**

20 **SECTION 2.1.** Article 6 of Chapter 153A of the General Statutes is amended by
21 adding a new section to read:

22 **"§ 153A-145.10. Authorization of expanded area for ABC licensed premises.**

23 In accordance with G.S. 18B-904(h), a county may adopt an ordinance authorizing permittees
24 holding a permit under Article 10 or 11 of Chapter 18B of the General Statutes to utilize an area
25 that is not part of the permittee's licensed premises for the outdoor possession and consumption
26 of alcoholic beverages sold by the permittee."

27 **SECTION 2.2.** Article 8 of Chapter 160A of the General Statutes is amended by
28 adding a new section to read:

29 **"§ 160A-205.5. Authorization of expanded area for ABC licensed premises.**

30 In accordance with G.S. 18B-904(h), a city may adopt an ordinance authorizing permittees
31 holding a permit under Article 10 or 11 of Chapter 18B of the General Statutes to utilize an area
32 that is not part of the permittee's licensed premises for the outdoor possession and consumption
33 of alcoholic beverages sold by the permittee."

34 **SECTION 2.3.** G.S. 18B-904 reads as rewritten:

35 **"§ 18B-904. Miscellaneous provisions concerning permits.**

36 ...

37 (h) Extension of Licensed Premises. – A permittee holding a permit issued under Article
38 10 or 11 of this Chapter that allows the on-premises consumption of alcoholic beverages may
39 utilize an area that is not part of the permittee's licensed premises for the outdoor possession and
40 consumption of alcoholic beverages sold by the permittee subject to all of the following
41 requirements:

- 42 (1) If the licensed premises is located in a city, an ordinance has been adopted by
43 the city authorizing permittees to expand their licensed premises. If the
44 licensed premises is located outside of a city, an ordinance has been adopted
45 by the county authorizing permittees to expand their licensed premises.
- 46 (2) If the property to which the premises will be extended to is not owned by the
47 permittee, the owner of the property has provided written permission to the
48 permittee allowing the use of the property for the purpose set forth in this
49 subsection.
- 50 (3) The permittee has provided written notification, including the diagram
51 required under subdivision (5) of this subsection and, if applicable, a copy of

1 the written permission required under subdivision (2) of this subsection, to the
2 district office of the ALE Division, and local law enforcement agency, with
3 jurisdiction over the licensed premises.

4 (4) The permittee shall visibly and vertically mark off the extended area so a
5 reasonable person could distinguish between the extended area and any
6 sidewalk or walkway.

7 (5) The permittee shall maintain a diagram on the licensed premises detailing the
8 size and location of the extended area. The diagram required under this
9 subdivision shall have the boundaries of the extended area clearly marked,
10 specify the types of barriers used to mark the boundaries of the extended area,
11 and specify the number of tables and seats placed in the extended area.

12 (6) The extended area shall only be used to increase the ability of customers of
13 the permittee to maintain social distancing and shall not be used to increase
14 the occupant load for the licensed premises.

15 (7) The extended area shall comply with all applicable laws governing
16 accessibility.

17 (8) Except as allowed under G.S. 18B-904.1 or to reenter the licensed premises,
18 a person shall not exit an extended area with an alcoholic beverage purchased
19 from the permittee.

20 (9) Any additional requirements imposed by the Commission through the
21 adoption of rules."

22
23 **PART III. SPECIFY THAT ALE AUTHORITY TO INSPECT PREMISES INCLUDES**
24 **SOCIAL DISTRICTS AND EXTENDED AREAS**

25 **SECTION 3.** G.S. 18B-502(a) reads as rewritten:

26 "(a) Authority. – To procure evidence of violations of the ABC law, alcohol
27 law-enforcement agents, employees of the Commission, local ABC officers, and officers of local
28 law-enforcement agencies that have contracted to provide ABC enforcement under
29 G.S. 18B-501(f) shall have authority to investigate the operation of each licensed premises for
30 which an ABC permit has been issued, to make inspections that include viewing the entire
31 premises, and to examine the books and records of the permittee. The inspection authorized by
32 this section may be made at any time it reasonably appears that someone is on the premises.
33 Alcohol law-enforcement agents are also authorized to be on the premises to the extent necessary
34 to enforce the provisions of Article 68 of Chapter 143 of the General Statutes. For purposes of
35 this subsection, the phrase "licensed premises for which an ABC permit has been issued" includes
36 a social district authorized under G.S. 18B-904.1 and an extended area authorized under
37 G.S. 18B-904(h)."

38
39 **PART IV. RULEMAKING, SAVINGS CLAUSE, AND EFFECTIVE DATE**

40 **SECTION 4.1.** The Alcoholic Beverage Control Commission shall adopt rules, or
41 amend its rules, consistent with the provisions of this act. The Commission may use the procedure
42 set forth in G.S. 150B-21.1 to adopt or amend any rules as required under this subsection.

43 **SECTION 4.2.** Prosecutions for offenses committed before the effective date of this
44 act are not abated or affected by this act, and the statutes that would be applicable but for this act
45 remain applicable to those prosecutions.

46 **SECTION 4.3.** This act is effective when it becomes law.