SENATE BILL 453:
ABC Store Tastings Permit Clarification.

2021-2022 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	May 11, 2021
Introduced by:	Sens. Johnson, Britt, deViere	**Prepared by:**	Amy Darden Committee Counsel
Analysis of:	First Edition**		

OVERVIEW: Senate Bill 453 would do the following:

- ***Require a spirituous liquor special event permit for a consumer tasting in an ABC store be issued in the name of the business listed on the application.***

If amended by S453-ABB-10, Senate Bill 453 would also:

- ***Allow online orders of alcoholic beverages from ABC stores.***
- ***Allow the purchase of spirituous liquor in bottles with personalize labeling.***
- ***Authorize certain event centers to seek a mixed beverage permit.***

****This bill analysis reflects the contents of S453 if the Amendment S453-ABB-10 were to be adopted by the committee.***

CURRENT LAW and BILL ANALYSIS:

Part I. Alcohol and Beverage Control (ABC) laws allow spirituous liquor tastings to be conducted in ABC stores. A local board holding tastings must provide North Carolina distillery permit holders with reasonable opportunities to conduct tastings.

Senate Bill 453 would provide that a spirituous liquor special event permit, which allows free tastings at ABC stores and at various events, must be issued in the name of the business listed on the application for the permit, rather than an individual.

This section would become effective July 1, 2021, and would apply to permits issued on or after that date.

Part II. Current law defines a sale as a transfer, trade, exchange, or barter, in any manner or by any means, for consideration. It is a Class 1 misdemeanor for any person to manufacture, sell, transport, import, deliver, furnish, purchase, consume, or possess any alcoholic beverages except as authorized by the ABC laws. G.S. 18B-102.

The sale of spirituous liquor is only allowed in ABC stores operated by local boards. G.S. 18B-800(a). Spirituous liquor is 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 for beverage use regardless of dilution. G.S. 18B-101(14).

Senate Bill 453 would allow online orders, including payment, of spirituous liquor, if allowed by a city or county ordinance. The order must be picked up in person at the ABC store by a person at least 21 years of age. A person would not be liable for selling an alcoholic beverage to a person under 21 years old by an online order unless the person knew the purchaser was less than 21 years old at the time the online order was placed.

Jeffrey Hudson
Director



Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

This section becomes effective July 1, 2021, and applies to sales on or after that date.

Part III. Currently, special orders of spirituous liquor that are on the special item list approved by the ABC Commission (Commission) may be sold in ABC stores in individual bottles. The holder of a distillery permit may also sell spirituous liquor distilled at the distillery in closed containers for offsite consumption to visitors on tour of the premises.

Cooperative advertising, meaning a joint effort between a retailer and an industry member to advertise alcoholic beverages, the retailer's business, or any promotion or event, is prohibited by 14B NCAC 15B .1005. Other prohibited statements on spirituous liquor labeling are provided at 14B NCAC 15B .1003.

Senate Bill 453 would allow bottles of spirituous liquor on the special item list approved by the Commission sold at an ABC store, or bottles of spirituous liquor sold at a distillery, to be affixed with personalized labeling that includes any other labeling requirements set by law. "Personalized labeling" would mean the inclusion of the name of the purchaser on the label.

This section becomes effective July 1, 2021, and applies to spirituous liquor sold on or after that date.

Part IV. of the bill would create a new subsection to allow mixed beverage and mixed beverage catering permits to be issued, without approval at an election, to qualified eating, hotel, and restaurant establishments if all the following requirements are met:

- The establishment is located in a county that has more than two man-made lakes.
- The establishment is located in a county that has approved the sale of malt beverages and unfortified wine, but not mixed beverages.
- The establishment is open to the public and includes on its premises a hotel with accommodations for 20 or more overnight guests, agritourism activities, and firearm sports.

Part V. of the bill would require the ABC Commission to amend it rules consistent with the provisions of this act, and authorize the use of temporary rule making procedures.

EFFECTIVE DATE: Section 1 of the act would become effective July 1, 2021, and apply to permits issued or renewed on or after that date. Except as otherwise provided, this act would become effective when it becomes law.