

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

**SESSION LAW 2009-377
HOUSE BILL 1595**

AN ACT TO AUTHORIZE THE NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION TO ISSUE MALT BEVERAGE SPECIAL EVENT PERMITS AND MALT BEVERAGE TASTING PERMITS IN THE SAME OR SIMILAR MANNER AS WINE.

Whereas, in 2001 the North Carolina General Assembly approved wine tasting permits and winery special event permits and affirmed and clarified these permits in 2005; and

Whereas, North Carolina's wineries have blossomed into a \$1,000,000,000 industry in North Carolina creating jobs and furthering North Carolina's visibility as a tourism destination; and

Whereas, North Carolina wineries have helped transform communities and served as an economic engine; and

Whereas, North Carolina's craft brewers also are a growing industry in North Carolina with more than 20 craft breweries located in North Carolina; and

Whereas, North Carolina's craft brewers also could serve as an economic engine throughout North Carolina and create jobs and serve as a tourist draw; and

Whereas, North Carolina is now being recognized as a highly respected state for specialty malt beverages; and

Whereas, the creation of a malt beverage special event permit and a malt beverage tasting permit will help grow this industry in a similar fashion as similar actions taken by the North Carolina General Assembly have helped grow North Carolina's wine industry; and

Whereas, the North Carolina General Assembly reaffirms its support of State-based alcohol regulation and the three-tier distribution of wine and malt beverages; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-902(d) reads as rewritten:

"(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."

SECTION 2. G.S. 18B-1001 is amended by adding a new subdivision to read:

- "(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."

SECTION 3. G.S. 18B-1100 reads as rewritten:

"§ 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~~ manufacturer
- (19) Wine producer ~~permit~~ permit
- (20) Malt beverage special event permit."

SECTION 4. Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-1114.5. Authorization of malt beverage special event permit.

(a) Authorization. – The holder of a brewery, malt beverage importer, or nonresident malt beverage vendor permit may obtain a malt beverage special event permit allowing the permittee to give free tastings of its malt beverages and to sell its malt beverages by the glass or in closed containers at trade shows, conventions, shopping malls, malt beverage festivals, street

festivals, holiday festivals, agricultural festivals, 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(7), 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."

SECTION 5. This act becomes effective October 1, 2009.
In the General Assembly read three times and ratified this the 23rd day of July, 2009.

s/ Walter H. Dalton
President of the Senate

s/ William L. Wainwright
Speaker Pro Tempore of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 12:06 p.m. this 31st day of July, 2009