

Chapter 18B.

Regulation of Alcoholic Beverages.

Article 1.

General Provisions.

§ 18B-100. Purpose of Chapter.

This Chapter is intended to establish a uniform system of control over the sale, purchase, transportation, manufacture, consumption, and possession of alcoholic beverages in North Carolina, and to provide procedures to insure the proper administration of the ABC laws under a uniform system throughout the State. This Chapter shall be liberally construed to the end that the sale, purchase, transportation, manufacture, consumption, and possession of alcoholic beverages shall be prohibited except as authorized in this Chapter. If any provision of this Chapter, or its application to any person or circumstance, is determined by a court or other authority of competent jurisdiction to be invalid or unconstitutional, such provision shall be stricken and the remaining provisions shall be construed in accordance with the intent of the General Assembly to further limit rather than expand commerce in alcoholic beverages, and with respect to malt beverages, unfortified wine, and fortified wine, the remaining provisions shall be construed to enhance strict regulatory control over taxation, distribution, and sale of alcoholic beverages through the three-tier regulatory system and the franchise laws imposed by this Chapter.

Except as provided in this Chapter, local ordinances establishing different rules on the manufacture, sale, purchase, transportation, possession, consumption, or other use of alcoholic beverages, or requiring additional permits or fees, are prohibited. (1937, c. 49, s. 1; 1971, c. 872, s. 1; 1981, c. 412, s. 2; 2019-18, s. 1.)

§ 18B-101. Definitions.

As used in this Chapter, unless the context requires otherwise:

- (1) "ABC law" or "ABC laws" means any statute or statutes in this Chapter or in Article 2C of Chapter 105, and the rules issued by the Commission under the authority of this Chapter.
- (2) "ABC permit" or "permits" means any written or printed authorization issued by the Commission pursuant to the provisions of this Chapter. Unless the context clearly requires otherwise, as in the provisions concerning applications for permits, "ABC permit" or "permit" means a presently valid permit.
- (3) "ABC system" means a local board, all ABC stores operated by a local board, and the designated ABC law enforcement officers employed pursuant to G.S. 18B-501.
- (4) "Alcoholic beverage" means any beverage containing at least one-half of one percent (0.5%) alcohol by volume, including malt beverages, unfortified wine, fortified wine, spirituous liquor, mixed beverages, and any alcohol consumable.
- (4a) **(Effective retroactively to September 10, 2021, and expiring on December 1, 2022 – see notes)** "Alcohol consumable" means any manufactured and packaged ice pop, gum-based, or gelatin-based food product containing at least one-half of one percent (0.5%) alcohol by volume.
- (4a) **(Effective December 1, 2022 – see notes)** "Alcohol consumable" means any manufactured and packaged ice cream, ice pop, gum-based, or gelatin-based

- food product containing at least one-half of one percent (0.5%) alcohol by volume.
- (5) "ALE Division" means the Alcohol Law Enforcement Division of the Department of Public Safety.
 - (5a) "Antique spirituous liquor" means spirituous liquor that has not been in production or bottled in the last 20 years, is in the original manufacturer's unopened container, is not owned by a distillery, and is not otherwise available for purchase by an ABC Board except through the special order process pursuant to G.S. 18B-1001(20).
 - (5b) "Antique spirituous liquor seller" means a person who sells antique spirituous liquor to an ABC Board.
 - (5c) "Bailment surcharge" means the charge imposed on each case of liquor shipped from a Commission warehouse as provided in G.S. 18B-208. This bailment surcharge is in addition to the bailment charge imposed by G.S. 18B-804(b)(2).
 - (5d) "Brokerage" means a business that brokers the sale of spirituous liquor on behalf of the holder of a distillery permit issued under G.S. 18B-1105, a business located outside the State that is licensed or permitted to manufacture spirituous liquor in the jurisdiction where the business is located and whose products are lawfully sold in this State, or a liquor importer or bottler.
 - (6) "Commission" means the North Carolina Alcoholic Beverage Control Commission established under G.S. 18B-200.
 - (6a) "Finance officer" means the local board employee, other than a general manager, who is responsible for keeping the accounts of the local board, receiving and depositing receipts, disbursing funds, and any other duties assigned by the local board or Commission.
 - (7) "Fortified wine" means any wine or alcohol consumable containing more than sixteen percent (16%) and no more than twenty-four percent (24%) alcohol by volume, made by fermentation from grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or dextrose sugar; or by the addition of pure brandy from the same type of grape, fruit, berry, rice, or honey that is contained in the base wine and produced in accordance with the regulations of the United States.
 - (7a) "General manager" means the local board employee who is responsible for the oversight of daily operations of the ABC system and any other duties assigned by the local board or Commission. The board may designate only one employee to be the general manager.
 - (7b) "Historic ABC establishment" means a restaurant or hotel that meets all of the following requirements:
 - a. Is on the national register of historic places or located within a State historic district.
 - b. Is a property designed to attract local, State, national, and international tourists located on a State Route (SR) and with a property line located within 1.5 miles of the intersection of a designated North Carolina scenic byway as defined in G.S. 136-18(31).
 - c. Is located within 15 miles of a national scenic highway.

- d. Is located in a county in which the on-premises sale of malt beverages or unfortified wine is authorized in two or more cities in the county.
- (7c) "Keg" means a portable container designed to hold and dispense 7.75 gallons or more of malt beverage.
- (8) "Local board" means a city or county ABC board, or local board created pursuant to the provisions of G.S. 18B-703. A local board is an independent local political subdivision of the State. Nothing in this Chapter shall be construed as constituting a local board the agency of a city or county or of the Commission.
- (8a) "Lottery law" or "lottery laws" means any provision of Chapter 18C of the General Statutes and the rules issued by the Lottery Commission under the authority of Chapter 18C of the General Statutes.
- (9) "Malt beverage" means beer, lager, malt liquor, ale, porter, and any other brewed or fermented beverage or alcohol consumable except unfortified or fortified wine as defined by this Chapter, containing at least one-half of one percent (0.5%), and not more than fifteen percent (15%), alcohol by volume. Any malt beverage containing more than six percent (6%) alcohol by volume shall bear a label clearly indicating the alcohol content of the malt beverage.
- (10) "Mixed beverage" means either of the following:
 - a. A drink composed in whole or in part of spirituous liquor and served in a quantity less than the quantity contained in a closed package.
 - b. A premixed cocktail served from a closed package containing only one serving.
- (11) "Nontaxpaid alcoholic beverage" means any alcoholic beverage upon which the taxes imposed by the United States, this State, or any other territorial jurisdiction in which the alcoholic beverage was purchased have not been paid.
- (12) "Person" means an individual, firm, partnership, association, corporation, limited liability company, other organization or group, or other combination of individuals acting as a unit.
- (12a) "Premises" means 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.
- (12b) "Powdered alcohol" means any powder or crystalline substance capable of being converted into a liquid alcoholic beverage fit for human consumption.
- (13) "Sale" means any transfer, trade, exchange, or barter, in any manner or by any means, for consideration.
- (13a) **(See note)** "Special ABC area" means an area that meets the following requirements:
 - Either:
 - a. The area has fewer than 500 permanent residents, and the area:
 - 1. Is located in a county that borders another state, that has at least one city that has approved the operation of an ABC store, and in which the sale of unfortified wine and malt beverages is permitted countywide or in one city; and
 - 2. Contains more than 500 contiguous acres made up of privately-owned land and land owned by an association or a club

that is exempt from income tax on its membership income under Article 4 of Chapter 105 of the General Statutes, has more than 200 members, was created for municipal and recreational purposes, and, for three or more years, has levied assessments or dues and provided municipal services; or

- b. The area has more than 500 permanent residents, and the area:
 - 1. Is located in a county:
 - I. Where ABC stores have heretofore been established but in which the sale of mixed beverages has not been approved;
 - II. That borders on a county that has approved the sale of alcoholic beverages countywide and contains an international airport; and
 - III. Borders on a county where ABC stores have heretofore been established by petition pursuant to law; and
 - 2. Contains more than 500 contiguous acres made up of privately-owned land and land owned by an association or a club that is exempt from income tax on its membership income under Article 4 of Chapter 105 of the General Statutes, has more than 200 members, was created for municipal and recreational purposes, and, for three or more years, has levied assessments or dues and provided municipal services; or
- c. The area is an area of a county where the following requirements are met:
 - 1. The county borders on the Atlantic Ocean and has a seaport supporting oceangoing vessels;
 - 2. ABC stores have been established in the county and the sale of mixed beverages is allowed in six or more municipalities;
 - 3. The population of the county, according to the 2000 census, exceeds 52,000;
 - 4. The tourism economy of the county is made up of more than 3,000 tourism-related jobs; and
 - 5. Tourism expenditures within the county exceed two hundred million dollars (\$200,000,000) annually.

(14) "Spirituous liquor" or "liquor" means distilled spirits or ethyl alcohol, and any alcohol consumable containing 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 regardless of their dilution.

(14a) "Tourism ABC establishment" means a restaurant or hotel that meets both of the following requirements:

- a. Is located on property, a property line of which is located within 1.5 miles of the end of an entrance or exit ramp of a junction on a national scenic parkway designed to attract local, State, national, and international tourists between the State line and Milepost 469, provided that the Eastern Band of Cherokee Indians tribal alcoholic beverage

control commission established under G.S. 18B-112 shall have exclusive authority to issue permits pursuant to this subdivision between Milepost 460 and the southern terminus of the national scenic byway at Milepost 469 for any restaurant or hotel that is located wholly on Indian Country lands.

- b. Is located in a county in which the on-premises or off-premises sale of malt beverages or unfortified wine is authorized in at least one city.

(14b) "Tourism resort" means:

- a. Any restaurant and lodging facility, whether public or private, owned and operated as a resort property offering food, beverage, lodging, and meeting facilities to travelers and tourists and featuring one or more golf courses and two or more tennis courts along with other recreational and sporting activities, or
- b. Any restaurant, whether public or private, owned and operated as a resort property offering food and beverage to travelers and tourists and featuring an equestrian center and two or more tennis courts along with other recreational and sporting activities.

Receipts from sporting and recreational activities of a tourism resort shall be at least twenty-five percent (25%) of total gross receipts. Receipts from the sale of alcoholic beverages shall not exceed fifty percent (50%) of total gross receipts. A tourism resort open to the public shall advertise at least quarterly in a regional or national travel or sports industry publication, or in the State travel guide published by the North Carolina Department of Commerce.

(15) "Unfortified wine" means any wine or alcohol consumable containing sixteen percent (16%) or less alcohol by volume made by fermentation from grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or dextrose sugar; or by the addition of pure brandy from the same type of grape, fruit, berry, rice, or honey that is contained in the base wine and produced in accordance with the regulations of the United States. (1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1262, s. 2; c. 1285, s. 1; 1983, c. 435, s. 41; 1985, c. 69; 1987, c. 443, s. 1; 1989, c. 629, s. 1; 1989 (Reg. Sess., 1990), c. 1024, s. 5; 1991 (Reg. Sess., 1992), c. 920, ss. 1, 10; 1993, c. 415, ss. 1, 2; 1995, c. 466, s. 1; 1997-443, s. 16.27(b); 1999-461, s. 1; 1999-462, ss. 1, 13; 2001-515, s. 1; 2004-135, s. 1; 2004-203, s. 23; 2005-276, s. 31.1(x); 2005-277, s. 1; 2005-344, s. 10.1(a); 2005-392, s. 1; 2005-435, s. 25(a); 2006-253, s. 2; 2006-264, s. 95; 2010-122, s. 1; 2011-145, s. 19.1(g), (gg); 2014-100, s. 17.1(xxx); 2015-98, ss. 1(a), 2(a), 3(b); 2019-182, s. 12; 2019-203, s. 5; 2021-150, s. 27.1; 2022-44, s. 3(a); 2022-51, ss. 4, 9(a).)

§ 18B-102. Manufacture, sale, etc., forbidden except as expressly authorized.

(a) General Prohibition. – It shall be unlawful for any person to manufacture, sell, transport, import, deliver, furnish, purchase, consume, or possess any alcoholic beverages except as authorized by the ABC law.

(a1) Powdered Alcohol Prohibition. – It shall be unlawful for any person to manufacture, sell, transport, import, deliver, furnish, purchase, consume, or possess powdered alcohol.

(b) Violation a Class 1 Misdemeanor. – Unless a different punishment is otherwise expressly stated, any person who violates any provision of this Chapter shall be guilty of a Class 1 misdemeanor. In addition the court may impose the provisions of G.S. 18B-202 and of G.S. 18B-503, 18B-504, and 18B-505. (1923, c. 1, s. 1; C.S., s. 3411(a); 1937, c. 49, s. 24; c. 411; 1939, c. 158, s. 501; 1941, c. 339, ss. 1, 3, 4; 1945, c. 780; c. 903, ss. 1, 3, 10; 1971, c. 872, s. 1; 1973, c. 476, s. 193; c. 1014; 1975, c. 329; c. 411, s. 2; 1977, 2nd Sess., c. 1138, s. 1; 1979, c. 683, s. 1; 1981, c. 412, s. 2; 1989, c. 800, s. 1; 1993, c. 539, s. 310; 1994, Ex. Sess., c. 14, s. 29; c. 24, s. 14(c); 2015-98, s. 2(b).)

§ 18B-102.1. Direct shipments from out-of-state prohibited.

(a) It is unlawful for any person who is an out-of-state retail or wholesale dealer in the business of selling alcoholic beverages to ship or cause to be shipped any alcoholic beverage directly to any North Carolina resident who does not hold a valid wholesaler's permit under Article 11 of this Chapter.

(b) The Commission shall mail a notice by certified mail ordering a person who violates the provisions of subsection (a) of this section to cease and desist any shipments of alcoholic beverages to North Carolina residents. If the offender cannot produce a receipt or otherwise show that applicable State taxes have been paid on the shipped alcohol within 30 days after this notice has been deposited by certified mail addressed to the out-of-state retail or wholesale dealer either at the address shown on the shipment or the last known address of that dealer in any legal registry, such as a registry with the Secretary of State for incorporation of a business, or within 30 days after personal service of the notice on the out-of-state retail or wholesale dealer, it shall be presumptive evidence of his intent to ship alcoholic beverages directly to a North Carolina resident who does not hold a valid wholesaler's permit issued by the Commission.

(c) This section shall not apply to producers of beverage alcohol holding a basic permit from the Bureau of Alcohol, Tobacco and Firearms.

(d) Upon determination by the Commission that a holder of a basic permit from the Bureau of Alcohol, Tobacco and Firearms has made an illegal shipment to consumers in North Carolina, the Commission shall notify the Bureau of Alcohol, Tobacco and Firearms in writing and by certified mail and request the Bureau to take appropriate action.

(e) Whoever violates the provisions of this section shall be guilty of a Class I felony and shall pay a fine of not more than ten thousand dollars (\$10,000). (1997-348, s. 1.)

§ 18B-103. Exemptions.

All of the following activities shall be permitted:

- (1) The use of ethyl alcohol for scientific, chemical, pharmaceutical, mechanical, and industrial purposes.
- (2) The use of ethyl alcohol by persons authorized to obtain it tax free, as provided by federal law.
- (3) The use of ethyl alcohol in the manufacture and preparation of any product unfit for use as a beverage.
- (4) The use of alcoholic beverages by licensed physicians, druggists, or dental surgeons for medicinal or pharmaceutical purposes; or the use of alcoholic beverages by medical facilities established and maintained for the treatment of patients addicted to the use of alcohol or drugs.

- (5) The use of grain alcohol by college, university or State laboratories, and by manufacturers of medicine, for compounding, mixing, or preserving medicines or medical preparations, or for surgical purposes.
- (5a) The manufacture, possession, and consumption of alcoholic beverages for the purpose of conducting scientific, chemical, pharmaceutical, mechanical, industrial, and educational research in connection with teaching, research, or extension programs conducted by, or under the supervision of, an instructor at an accredited community college, public or private college or university, or an extension agent in connection with educational programs and activities offered by the North Carolina Cooperative Extension Service.
- (6) The manufacture, importation, and possession of denatured alcohol produced and used as provided by federal law.
- (7) The manufacture or sale of cider or vinegar.
- (8) The possession and use of unfortified wine or fortified wine for sacramental purpose by any organized church or ordained minister, including in public school buildings when the use of those buildings is approved by the local school board.
- (9) The possession and use of alcohol acquired for controlled-drinking programs as authorized under G.S. 20-139.1(g).
- (10) The use of spirituous liquor in the manufacture of flavors or flavoring extracts that are unfit for beverage use.
- (11) Under the direct supervision of an instructor during a culinary class that is part of an established culinary curriculum at an accredited college or university, the delivery to or possession or consumption by a student who is less than 21 years of age, when the student is required to taste or imbibe the alcoholic beverage during a culinary class conducted pursuant to the curriculum.
- (12) The trade or exchange of lawfully purchased spirituous liquor if all of the following requirements are met:
 - a. The transaction only involves the trade or exchange of lawfully purchased spirituous liquor for other lawfully purchased spirituous liquor.
 - b. The trade or exchange is only between individuals, for personal use only, and not for resale.
 - c. The spirituous liquor to be traded or exchanged is or has been approved by the Commission for sale in this State and is not unfit for human consumption.
 - d. The spirituous liquor is not an antique spirituous liquor as that term is defined in G.S. 18B-101(5a). (1923, c. 1, ss. 4, 19, 20; C.S., s. 3411(d), (s), (t); 1935, c. 1141; 1971, c. 872, s. 1; c. 1233; 1981, c. 412, s. 2; c. 747, s. 36; 1981 (Reg. Sess., 1982), c. 1262, s. 3; 1983, c. 435, s. 6; 1985, c. 566, s. 2; 1993, c. 127, s. 1; 2004-199, s. 8; 2009-539, s. 1; 2021-150, s. 23.1.)

§ 18B-104. Administrative penalties.

(a) Penalties. – For any violation of the ABC laws, the Commission may take any of the following actions against a permittee:

- (1) Suspend the permittee's permit for a specified period of time not longer than three years.
- (2) Revoke the permittee's permit.
- (3) For all violations not listed in subdivision (3a) of this subsection, fine the permittee up to five hundred dollars (\$500.00) for the first violation, up to seven hundred fifty dollars (\$750.00) for the second violation within three years, and up to one thousand dollars (\$1,000) for the third violation within three years of the first violation.
- (3a) If the violations involve acts of violence, controlled substances, or prostitution occurring on the licensed premises, fine the permittee up to seven hundred fifty dollars (\$750.00) for the first violation, up to one thousand dollars (\$1,000) for a second violation within three years, and up to one thousand two hundred fifty dollars (\$1,250) for a third violation within three years of the first violation. Additionally, the Commission may impose conditions on the operating hours of the business for violations listed in this subdivision.
- (4) Suspend the permittee's permit under subdivision (1) [of this subsection] and impose a fine under subdivision (3) or (3a) [of this subsection].

(b) **Compromise.** – In any case in which the Commission is entitled to suspend or revoke a permit, the Commission may accept from the permittee an offer in compromise to pay a penalty of not more than five thousand dollars (\$5,000). The Commission may either accept a compromise or revoke a permit, but not both. The Commission may accept a compromise and suspend the permit in the same case.

(b1) **Compromise for Certain Egregious Violations.** – In any case in which there are two or more violations within three years in which the Commission is entitled to suspend or revoke a permit, the Commission may accept from the permittee an offer in compromise to pay a penalty of not more than ten thousand dollars (\$10,000) if the violations involve any of the following acts:

- (1) Acts of violence occurring on the licensed premises.
- (2) The permittee or the permittee's agent or employee knowingly allowing any violation of the controlled substances or prostitution statutes on the licensed premises.

The Commission may also impose conditions on the operating hours of the business as part of a compromise pursuant to this subsection. The Commission may either accept a compromise or revoke a permit, but not both. The Commission may accept a compromise and suspend the permit in the same case.

(c) **Fines and Penalties to Treasurer.** – The clear proceeds of fines and penalties assessed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(d) **Effect on Licenses.** – Suspension or revocation of a permit includes automatic suspension or revocation of any related State or local revenue license.

(e) **Effect on Other Permits.** – Unless some other disposition is ordered by the Commission, revocation or suspension of a permit under subsection (a) includes automatic revocation or suspension, respectively, of any other ABC permit held by the same permittee for the same establishment. (1939, c. 158, s. 514; 1943, c. 400, s. 6; 1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1949, c. 974, ss. 7, 14; 1953, c. 1207, ss. 2-5; 1957, cc. 1048, 1440; 1963, c. 426, ss. 4, 5, 10, 12; c. 460, s. 1; 1971, c. 872, s. 1; 1973, c. 476, s. 193; 1977, c. 669, s. 1; 1981, c. 412, s. 2; 1998-215, s. 27; 2019-49, s. 1.)

§ 18B-105. Advertising.

(a) General Rule. – No person shall advertise alcoholic beverages in this State except in compliance with the rules of the Commission.

(b) Rule-making Authority. – The Commission shall have the authority to adopt rules to:

- (1) Prohibit or regulate advertising of alcoholic beverages by permittees in newspapers, pamphlets, and other print media;
- (2) Prohibit or regulate advertising by on-premises permittees of brands or prices of alcoholic beverages via newspapers, radio, television, and other mass media;
- (3) Prohibit deceptive or misleading advertising of alcoholic beverages;
- (4) Require all advertisements of alcoholic beverages to disclose fully the identity of the advertiser and of the product being advertised;
- (5) Prohibit advertisements of alcoholic beverages on the premises of a permittee, or regulate the size, number, and appearance of those advertisements;
- (6) Prohibit or regulate advertisement of prices of alcoholic beverages on the premises of a permittee;
- (7) Prohibit or regulate alcoholic beverage advertisements on billboards;
- (8) Prohibit alcoholic beverage advertisements on outdoor signs, or regulate the nature, size, number, and appearance of those advertisements;
- (9) Prohibit or regulate advertising of alcoholic beverages by mail;
- (10) Prohibit or regulate contests, games, or other promotions which serve or tend to serve as advertisement for a specific brand or brands of alcoholic beverages; and
- (11) Prohibit or regulate any advertising of alcoholic beverages which is contrary to the public interest. (1923, c. 1, s. 3; C.S., s. 3411(c); 1933, cc. 216, 229; 1945, c. 903, s. 1; 1947, c. 1098, ss. 2, 3; 1957, c. 1048; 1963, c. 426, s. 10; c. 460, s. 1; 1971, c. 872, s. 1; 1981, c. 412, s. 2.)

§ 18B-106. Alcoholic beverages for use on oceangoing ships.

(a) Delivery Permitted. – Alcoholic beverages for use outside the United States on oceangoing vessels shall be delivered as follows:

- (1) Spirituous liquor may be imported into this State under United States customs bonds, held in United States customs bonded warehouses, and transferred between those warehouses. Spirituous liquors may only be released from customs bonds for delivery to an officer or agent of an oceangoing vessel who has obtained a permit from the Commission for that purpose.
- (2) Malt beverages, unfortified wine, and fortified wine may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or agent of an oceangoing vessel. The Commission may require the officer or agent to obtain a permit before purchasing alcoholic beverages under this subdivision.

(b) Definition. – "Oceangoing vessel" means a ship which plies the high seas in interstate or foreign commerce, in the transport of freight or passengers, or both, for hire exclusively.

(c) Rules. – The Commission may issue rules relating to applications for permits and otherwise regulate the importation, sale, and delivery of alcoholic beverages under this section to insure that those beverages are used only on oceangoing vessels outside the United States. (1981, c. 412, s. 2.)

§ 18B-107. Alcoholic beverages for use in air commerce.

(a) Purchase and Storage. – The Commission may issue permits authorizing air carriers offering regularly scheduled or chartered flights in foreign, interstate, or intrastate commerce to purchase malt beverages, unfortified wine, and fortified wine from any wholesaler or retailer licensed in this State, and to transport those alcoholic beverages. The Commission may also authorize air carriers to store, at facilities approved by the Commission, alcoholic beverages to be sold or served pursuant to subsection (b).

(b) Sale. – Air carriers may sell and serve alcoholic beverages anywhere in this State to passengers while in transit aboard any aircraft. At airports which service airplanes boarding at least 150,000 passengers annually, air carriers may serve complimentary alcoholic beverages to their passengers in air carrier passenger rooms approved by the Commission. Alcoholic beverages may not be sold in such a room unless a permit has been issued under Article 10 authorizing sale there. (1981, c. 412, s. 2.)

§ 18B-108. Sales on trains.

Alcoholic beverages may be sold on railroad trains in this State upon compliance with Article 2C of Chapter 105 of the General Statutes. Malt beverages, unfortified wine, and fortified wine may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or agent of a rail line that carries at least 60,000 passengers annually. (1981, c. 412, s. 2; c. 747, s. 37; 1985, c. 114, s. 5; 2000-140, s. 39; 2006-227, s. 8.)

§ 18B-109. Direct shipment of alcoholic beverages into State.

(a) General Prohibition. – Except as provided in G.S. 18B-1001.1, no person shall have any alcoholic beverage mailed or shipped to him from outside this State unless he has the appropriate ABC permit.

(b) Armed Forces Installation and Indian Country Lands. – No person shall have malt beverages or unfortified wine shipped directly from a point outside this State to an installation of the Armed Forces of the United States within this State if those alcoholic beverages are for resale on the installation or to the Eastern Band of Cherokee Indians for resale on Indian Country lands within this State under the jurisdiction of the Eastern Band of Cherokee Indians.

(c) Wine Shipper Permittees. – It is unlawful for a wine shipper permittee to ship any wines except in compliance with this Chapter and Articles 2C and 5 of Chapter 105 of the General Statutes.

(d) On-Premises Purchases. – A person who purchases wine while visiting the premises of a winery, whether located within or outside the State, may authorize the winery to ship by common carrier, or may personally ship by common carrier, the purchased wine directly to addresses in the State in amounts that can be personally transported in accordance with the laws of this State and of the state in which the winery is located. A winery shipping wine pursuant to this subsection is not required to have a wine shipper permit. (1923, c. 1, s. 2; C.S., s. 3411(b); 1971, c. 872, s. 1; 1975, c. 654, s. 4; 1981, c. 412, s. 2; 2003-402, s. 4; 2011-183, s. 19; 2011-333, s. 1.)

§ 18B-110. Emergency.

When the Governor finds that an emergency, as that term is defined in G.S. 166A-19.3, exists anywhere in this State, the Governor may

- (1) Order the closing of all ABC stores; and

- (2) Order the cessation of all sales, transportation, manufacture, and bottling of alcoholic beverages.

The Governor's order shall apply in those portions of the State designated in the order, for the duration of the state of emergency. Any order by the Governor under this section shall be directed to the Chairman of the Commission and to the Secretary of Public Safety. (1969, c. 869, ss. 4, 5; 1971, c. 872, s. 1; 1977, c. 70, s. 21; 1977, 2nd Sess., c. 1138, s. 16; 1981, c. 412, s. 2; 2011-145, s. 19.1(g); 2012-12, s. 2(cc).)

§ 18B-111. Nontaxpaid alcoholic beverages.

No person may possess, transport, or sell nontaxpaid alcoholic beverages except as authorized by the ABC law. (1981 (Reg. Sess., 1982), c. 1262, s. 4.)

§ 18B-112. Tribal alcoholic beverage control.

(a) Application of This Chapter. – The Eastern Band of Cherokee Indians, a federally recognized Indian tribe and sovereign nation, shall be exempt from the provisions of this Chapter, except for those made applicable by this section. The Eastern Band of Cherokee Indians tribe shall adopt by ordinance the provisions of this Chapter which are made applicable to the tribe by this section, and such ordinance shall be approved by the Secretary of the United States Department of the Interior and published in the Federal Register accordingly. The Eastern Band of Cherokee Indians shall hold lawful tribal elections as set out in G.S. 18B-600(a), and if the result of such election authorizes the activity upon which a vote was held, the activity shall be deemed authorized by this section. For the purposes of this section, the tribal alcoholic beverage control commission shall possess the same powers and authority conveyed upon the North Carolina Alcoholic Beverage Control Commission by any section of this Chapter made applicable to the tribe by this section.

(b) Compliance Required. – The Eastern Band of Cherokee Indians shall comply with the following provisions of this Chapter to the extent they apply to or can be made applicable to the tribe:

- (1) The following provisions of Article 1. – General Provisions.
 - a. G.S. 18B-101(4), (7), (7c), (9), (10), (11), (12), (12a), (13), (14)(14a), (14b), and (15).
 - b. G.S. 18B-102.1.
 - c. G.S. 18B-104.
 - d. G.S. 18B-105, except that this section shall not apply to any establishment where gaming is permitted under a State compact and pursuant to federal law.
 - e. G.S. 18B-109(b).
 - f. G.S. 18B-110.
 - g. G.S. 18B-111.
 - h. G.S. 18B-112.
- (2) Article 1A. – Compensation for Injury Caused by Sales to Underage Persons, to the extent it applies to retail establishments or the tribal alcoholic beverage control commission if it operates ABC stores, or any other permitted establishment, at retail pursuant to the provisions of this section.
- (3) Article 3. – Sale, Possession, and Consumption, except for G.S. 18B-309.
- (4) Article 4. – Transportation.

- (5) Article 5. – Enforcement, except for G.S. 18B-500 and G.S. 18B-501.
- (5a) Article 6. – Elections, compliance with only G.S. 18B-603(f) and (g) are required.
- (6) Article 9. – Issuance of Permits, except for G.S. 18B-902(g) and (h) and G.S. 18B-906.
- (7) Article 10. – Retail Activity.
- (8) Article 11. – Commercial Activity, as clarified by the following:
 - a. The tribal alcoholic beverage control commission may issue commercial activity permits to any qualifying applicant that establishes a commercial business wholly on Indian Country lands and shall have sole enforcement authority over any permittee receiving a permit from the tribal alcoholic beverage control commission only to the extent the regulated conduct occurs on Indian Country lands.
 - b. The Eastern Band of Cherokee Indians shall recognize any permit issued by the North Carolina Alcoholic Beverage Control Commission allowing commercial activity in the same manner as if such permit was issued by the tribal alcoholic beverage control commission. The North Carolina Alcoholic Beverage Control Commission shall recognize any commercial activity permit issued by the tribal alcoholic beverage commission in the same manner as if the permit were issued by the North Carolina Alcoholic Beverage Control Commission.
 - c. The North Carolina Alcoholic Beverage Control Commission shall retain exclusive enforcement authority over all permits it issues to commercial activity permittees for violations of its rules or this Chapter.

Any provision of Articles 12 and 13 of this Chapter which has not been made applicable to the Eastern Band of Cherokee Indians by this section shall act as a bar to engaging in any activity authorized by that Article or section.

(b1) In accordance with G.S. 18B-1004(c), the Eastern Band of Cherokee Indians tribe may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under the authority of G.S. 18B-112(d).

(c) Alcoholic Beverages Which May Be Sold. – No alcoholic beverage may be sold on Indian Country lands under the jurisdiction of the Eastern Band of Cherokee Indians pursuant to this section which has not been approved for sale in this State by the North Carolina Alcoholic Beverage Control Commission.

(d) Establishment of a Tribal Commission. – In accordance with the provisions of 18 U.S.C. § 1161, the Eastern Band of Cherokee Indians is authorized to establish a tribal alcoholic beverage control commission to regulate the purchase, possession, consumption, sale, and delivery of alcoholic beverages on any land designated as Indian Country pursuant to 18 U.S.C. § 1151 under the jurisdiction of the Eastern Band of Cherokee Indians. The tribal commission shall have exclusive authority to issue ABC permits to retail and commercial establishments located wholly on Indian Country lands under the jurisdiction of the Eastern Band of Cherokee Indians and to regulate the purchase, possession, consumption, sale, and delivery of alcoholic beverages at permitted outlets and premises. Permits issued by the tribal commission pursuant to this section shall be deemed issued by the State for the purposes of sales and delivery of beer and wine by wholesalers to the retail outlets located on Indian Country lands. The fees generated by the tribal

alcoholic beverage control commission for the issuance of retail permits may be retained by the Eastern Band of Cherokee Indians to offset costs of operating the tribal alcoholic beverage control commission.

(e) Establishment of Rules. – The tribal alcoholic beverage control commission shall adopt the rules of the North Carolina Alcoholic Beverage Control Commission regulating retail outlet activity.

(f) Authority of the North Carolina Alcoholic Beverage Control Commission. – The North Carolina Alcoholic Beverage Control Commission shall have the authority to enter into agreements with the tribal alcoholic beverage control commission to provide for the sale, delivery, and distribution of spirituous liquor to the tribal alcoholic beverage control commission. The tribal alcoholic beverage control commission shall purchase spirituous liquor for resale by the tribal alcoholic beverage control commission exclusively from the North Carolina Alcoholic Beverage Control Commission at the same price and on the same basis that such spirits are purchased by local boards. To the extent there is a conflict between the tribal alcoholic beverage control commission's authority or purpose and the North Carolina Alcoholic Beverage Control Commission's authority or purpose, the North Carolina Alcoholic Beverage Control Commission shall prevail.

(g) Discrimination. – The tribal alcoholic beverage control commission shall not discriminate against non-Indians in the application of the tribal ABC law. Non-Indians shall be entitled to apply for and receive ABC permits in the same manner as an Indian on Indian Country lands under the jurisdiction of the Eastern Band of Cherokee Indians.

(h) Resolution of Contested Cases. – If the tribal alcoholic beverage control commission levies a fine or suspends or revokes a permit pursuant to the provisions of G.S. 18B-104 for a violation of the provisions applicable to the Eastern Band of Cherokee Indians in this section, the permittee shall have the right of appeal of an agency final decision of the tribal commission to the tribal courts. Any further appeal shall be to the appellate courts of the tribe. All fines paid to the tribal commission in satisfaction of any penalty assessed by the tribal commission may be retained by the Eastern Band of Cherokee Indians to offset costs of operating the tribal alcoholic beverage control commission.

(i) Failure to Comply With Laws of This State. – If the Eastern Band of Cherokee Indians fails to adopt the provisions of this Chapter, made applicable to the tribe by this section, by ordinance; fails to amend tribal ordinances to comply with amendments to the provisions of this Chapter, made applicable to the tribe by this section, within six months of passage of such amendments; or fails to comply with the provisions of this Chapter, made applicable to the tribe by this section, as required by 18 U.S.C. § 1161, the North Carolina Alcoholic Beverage Control Commission is authorized to terminate and prohibit future delivery of any alcoholic beverages from any person to the tribal alcoholic beverage control commission until the Eastern Band of Cherokee Indians complies with the provisions of this Chapter made applicable to the tribe by this section and 18 U.S.C. § 1161.

(j) Conflict of Laws. – If any provision of this section or its application conflicts with federal law, the conflict of laws shall be resolved in favor of the federal law unless compliance with the federal law abrogates a right reserved to the State under the Constitution of the United States. (2011-333, s. 3; 2015-98, s. 3(a); 2017-87, s. 4(d); 2019-182, s. 14(c).)

§ 18B-113. Reserved for future codification purposes.

§ 18B-114. Reserved for future codification purposes.

§ 18B-115. Reserved for future codification purposes.

§ 18B-116. Reserved for future codification purposes.

§ 18B-117. Reserved for future codification purposes.

§ 18B-118. Reserved for future codification purposes.

§ 18B-119. Reserved for future codification purposes.