

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 838 (First Edition)

SHORT TITLE: ABC Law Changes.-AB

SPONSOR(S): Senator Bingham

FISCAL IMPACT

Yes () No (X) No Estimate Available ()

FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12

REVENUES

*** See Assumptions and Methodology ***

EXPENDITURES

POSITIONS (cumulative):

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Alcoholic Beverage Commission; Alcohol Law Enforcement

EFFECTIVE DATE: Sections 1 and 2 become effective December 1, 2007; the remainder of the bill is effective when the bill becomes law.

BILL SUMMARY: S.B. 838 amends GS 18B-104 effective December 1, 2007, to increase fines for the first violation of ABC laws from \$500 to \$1,000, for the second violation from \$750 to \$1,500 and for the third violation from \$1,000 to \$2,000. The bill also allows compromises to be entered into for penalties up to \$25,000 (previously \$5,000). The bill amends GS 18B-500 to require (the current language is permissive) alcohol law-enforcement agents to serve notices for the surrender of permits or relating to administrative proceedings. S.B. 838 amends GS 18B-900 to require U.S. citizenship for ABC permit holders, and amends GS 18B-903 to suspend permits until the registration fee is received if the annual registration and inspection fee are not paid (current law revokes permits if the registration and inspection fee are not paid). The bill would also allow the issuance of one-time permits to local governments and non-profits to sell and serve (was, serve) alcoholic beverages including mixed beverages. Finally, S.B. 838 amends GS 18B-1101 to allow the holder of an unfortified winery permit to make wine on the premises. In addition, a minor technical change to G.S. 18B-1100 is included.

Source: Bill Digest S.B. 838 (03/15/0200)

ASSUMPTIONS AND METHODOLOGY: Sections 1 and 3 of the bill increases the penalties for violations of ABC laws. According to the ABC Commission, in FY 06-07, two cases were assessed penalties in accordance with G.S. 18B-104(a)(3), for a total of \$1,000. 1,454 compromises were reached in accordance with G.S. 18B-104(b), with fines totaling \$1,253,700. All fines paid under these statutes go to the public schools through the Civil Penalty and Forfeiture Fund. The bill doubles the fines under G.S. 18B-104(a)(3), and increases the allowable compromise penalty in G.S. 18B-104(b) from \$5,000 to \$25,000. If the same number of charges result in fines, an additional \$1,000 will be paid to the public schools as a result of this increase. If the same number of compromises are reached, an additional \$5,014,800 may be generated for the public schools. While there is not impact to the General Fund from this change, the public schools could potentially see a total increase of \$5,015,800 from the Civil Penalty and Forfeiture Fund.

Section 3 of the bill amends GS 18B-500 to require (the current language is permissive) alcohol law-enforcement (ALE) agents to serve notices for the surrender of permits or relating to administrative proceedings. The Department of Crime Control and Public Safety has indicated that this change will have no impact on their workload or costs.

The remainder of the bill makes adjustments to the laws governing permits, makes one technical change G.S. 18B-1100, and allows the holder of an unfortified winery permit to make wine on the premises. These changes will have no fiscal impact.

SOURCES OF DATA: ABC Commission; Department of Crime Control and Public Safety

TECHNICAL CONSIDERATIONS: None

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