

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1595

Short Title: Malt Beverage Special Permit. (Public)

Sponsors: Representatives Tillis, Ross (Primary Sponsors); and Harrison.

Referred to: Alcoholic Beverage Control, if favorable, Finance.

May 6, 2009

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A MALT BEVERAGE SPECIAL EVENT PERMIT AND A
MALT BEVERAGE TASTING PERMIT.

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 are also a growing industry in North Carolina with more than 20 craft breweries located in North Carolina; and

Whereas, North Carolina's craft brewers could also 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; 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.



- 1 (13) Fortified winery permit – \$300.00.
- 2 (14) Limited winery permit – \$300.00.
- 3 (15) Brewery permit – \$300.00.
- 4 (16) Distillery permit – \$300.00.
- 5 (17) Fuel alcohol permit – \$100.00.
- 6 (18) Wine importer permit – \$300.00.
- 7 (19) Wine wholesaler permit – \$300.00.
- 8 (20) Malt beverage importer permit – \$300.00.
- 9 (21) Malt beverage wholesaler permit – \$300.00.
- 10 (22) Bottler permit – \$300.00.
- 11 (23) Salesman permit – \$100.00.
- 12 (24) Vendor representative permit – \$50.00.
- 13 (25) Nonresident malt beverage vendor permit – \$100.00.
- 14 (26) Nonresident wine vendor permit – \$100.00.
- 15 (27) Any special one-time permit under G.S. 18B-1002 – \$50.00.
- 16 (28) Winery special event permit – \$200.00.
- 17 (29) Mixed beverages catering permit – \$200.00.
- 18 (30) Guest room cabinet permit – \$1,000.
- 19 (31) Liquor importer/bottler permit – \$500.00.
- 20 (32) Cider and vinegar manufacturer permit – \$200.00.
- 21 (33) Brew on premises permit – \$400.00.
- 22 (34) Wine producer permit – \$300.00.
- 23 (35) Wine tasting permit – \$100.00.
- 24 (36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and
- 25 applicable to wine shipper permit applications submitted on or after that
- 26 date.
- 27 (37) Wine shop permit – \$100.00.
- 28 (38) Winemaking on premises permit – \$400.00.
- 29 (39) Wine shipper packager permit – \$100.00.
- 30 (40) Malt beverage special event permit – \$200.00.
- 31 (41) Malt beverage tasting permit – \$100.00."

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

33 "(18) Malt Beverage Tasting Permit. – A malt beverage tasting permit authorizes
34 malt beverage tastings on a premises holding a retail permit, by the retail
35 permit holder or his employee. A malt beverage tasting consists of the
36 offering of a sample of one or more malt beverage products, in amounts of
37 no more than two ounces for each sample, without charge, to customers of
38 the business. Any persons pouring malt beverage at a malt beverage tasting
39 shall be at least 21 years of age.

40 a. Representatives of the brewery which produced the malt beverage, a
41 wholesaler, or a wholesaler's employee may assist with the tasting.

42 Assisting with a malt beverage tasting includes:

43 1. Pouring samples for customers.

44 2. Checking the identification of patrons being served at the
45 malt beverage tasting.

46 b. When a representative of the brewery that produced the malt
47 beverage, a malt beverage wholesaler, or a malt beverage
48 wholesaler's employee assists in a malt beverage tasting conducted
49 by a retail permit holder:

50 1. The retail permit holder shall designate an employee to
51 actively supervise the malt beverage tasting.

- 1 2. A retail permit holder's employee shall not supervise more
 2 than three malt beverage tasting areas.
 3 3. No more than six malt beverages may be tasted at any one
 4 tasting area.
 5 4. The malt beverage tasting shall not last longer than four hours
 6 from the time designated as the starting time by the retail
 7 permit holder.
 8 c. The retail permit holder shall be solely liable for any violations of
 9 this Chapter occurring in connection with the malt beverage tasting.
 10 The Commission shall adopt rules to assure that the tastings are
 11 limited to samplings and not a subterfuge for the unlawful sale or
 12 distribution of wine, and that the tastings are not used by industry
 13 members for unlawful inducements to retail permit holders. Except
 14 for purposes of this subdivision, the holder of a malt beverage tasting
 15 permit shall not be construed to hold a permit for the on-premises
 16 sale or consumption of alcoholic beverages. Any food business is
 17 eligible for a malt beverage tasting permit."

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

19 **"§ 18B-1100. Commercial permits.**

20 The Commission may issue the following commercial permits:

- 21 (1) Unfortified winery
 22 (2) Fortified winery
 23 (3) Limited winery
 24 (4) Brewery
 25 (5) Distillery
 26 (6) Fuel alcohol
 27 (7) Wine importer
 28 (8) Wine wholesaler
 29 (9) Malt beverages importer
 30 (10) Malt beverages wholesaler
 31 (11) Bottler
 32 (12) Salesman
 33 (13) Vendor representative
 34 (14) Nonresident malt beverage vendor
 35 (15) Nonresident wine vendor
 36 (16) Winery special show
 37 (17) Liquor importer/bottler permit
 38 (18) Cider and vinegar ~~manufacturer~~ manufacturer
 39 (19) Wine producer ~~permit~~ permit
 40 (20) Malt beverage special event permit."

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

43 **"§ 18B-1114.5. Authorization of malt beverage special event permit.**

44 (a) Authorization. – The holder of a brewery permit may obtain a malt beverage special
 45 event permit allowing the brewery to give free tastings of its malt beverages and to sell its malt
 46 beverages by the glass or in closed containers at trade shows, conventions, shopping malls,
 47 malt beverage festivals, street festivals, holiday festivals, agricultural festivals, balloon races,
 48 local fund-raisers, and other similar events approved by the Commission.

49 (b) Limitation. – A malt beverage special event permit is valid only in a jurisdiction that
 50 has approved the establishment of ABC stores or has approved the sale of malt beverages. A

1 malt beverage special event shall not be issued for use at a location that maintains an
2 on-premises or off-premises malt beverage permit."

3 **SECTION 6.** This act becomes effective October 1, 2009.