

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 532

Short Title: Hard Apple Cider/Growlers. (Public)

Sponsors: Representatives McGrady, Jeter, West, and Fisher (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Alcoholic Beverage Control.

April 6, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW CERTAIN ABC PERMITTEES TO SELL HARD CIDER IN
3 CERTAIN CONTAINERS FOR CONSUMPTION OFF THE PERMITTED PREMISES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 18B-101 is amended by adding a new subdivision to read:

6 "(5b) "Cider" means any beverage, carbonated or otherwise, obtained by the
7 fermentation of the natural sugar content of apples (i) containing 10 percent
8 (10%) or less alcohol by volume without chaptalization or (ii) containing
9 seven percent (7%) or less alcohol by volume regardless of chaptalization."

10 **SECTION 2.** G.S. 18B-101(15) reads as rewritten:

11 "(15) "Unfortified wine" means any wine of sixteen percent (16%) or less alcohol
12 by volume made by fermentation from grapes, fruits, berries, rice, or honey;
13 or by the addition of pure cane, beet, or dextrose sugar; or by the addition of
14 pure brandy from the same type of grape, fruit, berry, rice, or honey that is
15 contained in the base wine and produced in accordance with the regulations
16 of the United States. This term includes cider."

17 **SECTION 3.** G.S. 18B-1001 reads as rewritten:

18 **"§ 18B-1001. Kinds of ABC permits; places eligible.**

19 When the issuance of the permit is lawful in the jurisdiction in which the premises are
20 located, the Commission may issue the following kinds of permits:

21 ...

22 (3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine
23 permit authorizes (i) the retail sale of unfortified wine for consumption on
24 the premises, either alone or mixed with other beverages, ~~and (ii) the retail~~
25 ~~sale of unfortified wine in the manufacturer's original container for~~
26 ~~consumption off the premises.~~ and (iii) the retail sale of cider in a
27 cleaned, sanitized, resealable container as defined in 4 NCAC 2T .0308(a)
28 that is filled or refilled and sealed for consumption off the premises,
29 complies with 4 NCAC 2T .0303, 4 NCAC 2T .0305, and 4 NCAC 2T
30 .0308(d)-(e), and the container identifies the permittee and the date the
31 container was filled or refilled. The permit also authorizes the permittee to
32 transfer unfortified wine, not more than four times per calendar year, to
33 another on-premises unfortified wine permittee that is under common
34 ownership or control as the transferor. Except as authorized by this
35 subdivision, transfers of wine by on-premises unfortified wine permittees,



1 purchases of wine by a retail permittee from another retail permittee for the
2 purpose of resale, and sale of wine by a retail permittee to another retail
3 permittee for the purpose of resale are unlawful. In addition, a particular
4 brand of wine may be transferred only if both the transferor and transferee
5 are located within the territory designated between the winery and the
6 wholesaler on file with the Commission. Prior to or contemporaneous with
7 any such transfer, the transferor shall notify each wholesaler who distributes
8 the transferred product of the transfer. The notice shall be in writing or
9 verifiable electronic format and shall identify the transferor and transferee,
10 the date of the transfer, quantity, and items transferred. The holder of the
11 permit is authorized to ship unfortified wine in closed containers to
12 individual purchasers inside and outside the State. Orders received by a
13 winery by telephone, Internet, mail, facsimile, or other off-premises means
14 of communication shall be shipped pursuant to a wine shipper permit and not
15 pursuant to this subdivision. The permit may be issued for any of the
16 following:

- 17 a. Restaurants;
- 18 b. Hotels;
- 19 c. Eating establishments;
- 20 d. Private clubs;
- 21 e. Convention centers;
- 22 f. Cooking schools;
- 23 g. Community theatres;
- 24 h. Wineries;
- 25 i. Wine producers.

- 26 (4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine
27 permit authorizes (i) the retail sale of unfortified wine in the manufacturer's
28 original container for consumption off the premises—premises, (ii) the retail
29 sale of cider in a cleaned, sanitized, resealable container as defined in 4
30 NCAC 2T .0308(a) that is filled or refilled and sealed for consumption off
31 the premises, complies with 4 NCAC 2T .0303, 4 NCAC 2T .0305, and 4
32 NCAC 2T .0308(d)-(e), and the container identifies the permittee and the
33 date the container was filled or refilled, and it authorizes—(iii) the holder of
34 the permit to ship unfortified wine in closed containers to individual
35 purchasers inside and outside the State. The permit may be issued for retail
36 businesses. The permit also authorizes the permittee to transfer unfortified
37 wine, not more than four times per calendar year, to another off-premises
38 unfortified wine permittee that is under common ownership or control as the
39 transferor. Except as authorized by this subdivision, transfers of wine by
40 off-premises unfortified wine permittees, purchases of wine by a retail
41 permittee from another retail permittee for the purpose of resale, and sale of
42 wine by a retail permittee to another retail permittee for the purpose of resale
43 are unlawful. In addition, a particular brand of wine may be transferred only
44 if both the transferor and transferee are located within the territory
45 designated between the winery and the wholesaler on file with the
46 Commission. Prior to or contemporaneous with any such transfer, the
47 transferor shall notify each wholesaler who distributes the transferred
48 product of the transfer. The notice shall be in writing or verifiable electronic
49 format and shall identify the transferor and transferee, the date of the
50 transfer, quantity, and items transferred. The permit may also be issued to
51 the holder of a viticulture/enology course authorization under

1 G.S. 18B-1114.4. A school obtaining a permit under this subdivision is
 2 authorized to sell wines manufactured during its viticulture/enology program
 3 at one non-campus location in a county where the permittee holds and offers
 4 classes on a regular full-time basis in a facility owned by the permittee. The
 5 permit may also be issued for a winery or a wine producer for sale of its own
 6 unfortified wine during hours when the winery or wine producer's premises
 7 is open to the public, subject to any local ordinance adopted pursuant to
 8 G.S. 18B-1004(d) concerning hours for the retail sale of unfortified wine. A
 9 winery obtaining a permit under this subdivision is authorized to sell wine
 10 manufactured by the winery at one additional location in the county under
 11 the same conditions specified in G.S. 18B-1101(5) for the sale of wine at the
 12 winery; provided, however, that no other alcohol sales shall be authorized at
 13 the additional location. Orders received by a winery by telephone, Internet,
 14 mail, facsimile, or other off-premises means of communication shall be
 15 shipped pursuant to a wine shipper permit and not pursuant to this
 16 subdivision.

17 ...

18 (16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt
 19 beverages, unfortified wine, and fortified wine in the manufacturer's original
 20 container for consumption off the premises, (ii) the retail sale of malt
 21 ~~beverages~~ beverages, cider, or both, in a cleaned, sanitized, resealable
 22 container as defined in 4 NCAC 2T.0308(a) that is filled or refilled and
 23 sealed for consumption off the premises, complies with 4 NCAC 2T.0303, 4
 24 NCAC 2T.0305, and 4 NCAC 2T.0308(d)-(e), and the container identifies
 25 the permittee and the date the container was filled or refilled, and (iii) wine
 26 tastings on the premises conducted and supervised by the permittee in
 27 accordance with subdivision (15) of this section. It also authorizes the holder
 28 of the permit to ship malt beverages, unfortified wine, and fortified wine in
 29 closed containers to individual purchasers inside and outside the State. The
 30 permit may be issued for retail businesses whose primary purpose is selling
 31 malt beverages and wine for consumption off the premises and regularly and
 32 customarily educating consumers through tastings, classes, and seminars
 33 about the selection, serving, and storing of wine. The holder of the permit is
 34 authorized to sell unfortified wine for consumption on the premises,
 35 provided that the sale of wine for consumption on the premises does not
 36 exceed forty percent (40%) of the establishment's total sales for any 30-day
 37 period. The holder of a wine-tasting permit not engaged in the preparation or
 38 sale of food on the premises is not subject to Part 6 of Article 8 of Chapter
 39 130A of the General Statutes.

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41 **SECTION 4.** This act is effective when it becomes law.