



SENATE BILL 155: Economic & Job Growth for NC Distilleries.

2017-2018 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 29, 2017
Introduced by:	Sens. Gunn, Blue, Harrington	Prepared by:	Susan Sitze
Analysis of:	PCS to First Edition S155-CSSAf-29		Staff Attorney

OVERVIEW: *Senate Bill 155 would make the following changes to laws regulating alcoholic beverages:*

- *Authorize the holder of a distillery permit to:*
 - ❖ *Sell spirituous liquor in closed containers at wholesale or retail, subject to the laws of other jurisdictions, for delivery outside the State.*
 - ❖ *Sell up to five bottles of spirituous liquor per year at the distillery to a consumer who takes a tour of the distillery.*
- *Create a \$200 spirituous liquor special event permit which would allow distilleries, supplier representatives, and broker representatives to give free tastings of spirituous liquors at events.*
- *Establish a \$750 special auction permit, obtainable by licensed auctioneers or auction firms, valid for one auction, which would allow the holder to sell wine, decorative decanters of spirituous liquor, or antique spirituous liquor at auction.*
- *Allow counties and cities to adopt an ordinance allowing licensed premises to sell alcoholic beverages beginning at 10:00 A.M. on Sunday mornings.*
- *Directs the Alcoholic Beverage Control Commission (ABC Commission) to amend rules to allow additional methods of rebates.*

CURRENT LAW AND BILL ANALYSIS:

Section 1 would allow the holder of a distillery permit to sell spirituous liquor in closed containers at wholesale or retail, subject to the laws of other jurisdictions, for delivery outside the State. The price for sale for delivery outside the State would be the distiller's price. This section would also allow the holder of a distillery permit to sell up to five bottles of spirituous liquor per year at the distillery to each consumer who takes a tour of the distillery. Under current law, the holder of a distillery permit may sell one bottle of spirituous liquor per year per consumer at the distillery. This section would also make two conforming changes and direct the ABC Commission to amend its rules consistent with this section.

This section would become effective July 1, 2017.

Section 2 would establish a spirituous liquor special event permit with a fee of \$200. The holder of a supplier representative permit, a broker representative permit, or a distillery permit would be eligible to obtain a spirituous liquor special event permit. The permit would allow the permittee or the permittee's

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agent to give free tastings of spirituous liquors at trade shows, festivals, and other events. Several limitations would apply to any consumer tasting conducted under the permit, including:

- The spirituous liquor may be poured only by the permit holder or an employee or authorized agent of the permit holder who is at least 21 years old.
- Each consumer is limited to one 0.25 ounce tasting sample of any product available for sampling, and the total amount of samples consumed by each consumer may not exceed 1.0 ounces.
- By default, no venue may allow more than three different permit holders to conduct a tasting at any event. However, the local board may grant approval for additional permit holders to conduct tastings on an event-by-event basis.
- Tastings must take place within a designated tasting area at the venue.
- Tastings may be conducted only in a jurisdiction that has approved the sale of mixed beverages.

Section 3 would establish a new special auction permit with a fee of \$750. Only an auction firm or auctioneer licensed by the North Carolina Auctioneers Commission would be eligible to obtain the permit. The permit would allow the permittee to sell at auction wine, decorative decanters of spirituous liquor, or antique spirituous liquor. The permit would be valid only for the specific auction named in the permit.

This section would become effective October 1, 2017.

Section 4 would allow counties and cities to adopt an ordinance allowing permittees to sell alcoholic beverages beginning at 10:00 A.M. on Sunday morning, pursuant to any permit held by the permittee. Under current law, alcoholic beverages may not be sold or consumed on any licensed premises before noon on Sunday.

Section 5 would allow entities offering rebates to use an agent. This section would direct the ABC Commission to amend its rules no later than December 1, 2017 to allow additional types and methods of rebate and authorize a variety of conduct related to the issuance and promotion of rebates.

EFFECTIVE DATE: Except as otherwise provided, this act is effective when it becomes law.

Wendy Ray, Staff Attorney, substantially contributed to this summary.