



# HOUSE BILL 4: Extend ABC Permit Renewal Fee Deferral.

2021-2022 General Assembly

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<b>Committee:</b>		<b>Date:</b>	February 8, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Chris Saunders Staff Attorney
<b>Analysis of:</b>	S.L. 2021-2		

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**OVERVIEW:** *S.L. 2021-2 retroactively extended the deferral of ABC permit fees for businesses subject to an order of closure under Section 8 of Executive Order 141 until 90 days after all executive orders limiting those permittees' full operation are rescinded or expire. The act also allows certain ABC permittees whose operation is limited by executive orders responding to the COVID-19 pandemic to request a refund of any permit fees paid for the 2020-2021 permit year, and direct the ABC Commission (Commission) to reinstate or reactivate any permits that the Commission cancelled or moved to inactive status as a result of its interpretation of S.L. 2020-94.*

*The deferral of ABC permit fees became retroactively effective June 30, 2020. The remainder of this act became effective February 25, 2021.*

**BACKGROUND:** S.L. 2020-94 delayed the due date for renewal or registration of an ABC permit fee for ABC permittees that were prohibited from operating by the Governor's Executive Order 141, Easing Restrictions on Travel, Business Operations, and Mass Gatherings (E.O. 141), until 90 days after the Governor signed an executive order rescinding the prohibition on those permittees' operation. Section 3.2 of Executive Order 169, effective October 2, 2020, required indoor areas at bars to remain closed, but allowed outdoor seating areas at bars to be open, limited to the lesser of 100 people for the total seating area or 30% of the facility's stated outdoor occupancy – or for spaces without a stated occupancy, no more than 7 guests for every 1,000 square feet of the outdoor area's square footage. The Commission started the 90-day period at this time. On January 4, 2021, about 124 permittees' permits were cancelled due to nonpayment. The Commission posted a letter to the North Carolina Bar Owners Association indicating that the permits listed as "cancelled" have been moved to an inactive status and will have their permits returned to an active status under a streamlined process when the permittees are ready to reopen.

**BILL ANALYSIS:** **Section 1** of this act amends S.L. 2020-94 by retroactively extending the deferral of ABC permit fees for businesses subject to an order of closure under Section 8 of the Governor's Executive Order 141 until 90 days after all executive orders limiting those permittees' full operation are rescinded or expire. Permittees affected by the change must notify the Commission in writing, including by e-mail or other electronic means, that they are intending to delay payment under this act.

Sections 2 and 3 of this act repeal Section 2 of S.L. 2020-94, which allows refunds of ABC permit fees for certain permittees who had paid before July 13, 2020, and instead allow any permittee that (i) is subject to an order of closure pursuant to Section 8 of E.O. 141, (ii) is subject to any executive order responding to the COVID-19 pandemic and limiting the full operation of the permittee, and (iii) has paid a fee for renewal or registration of an ABC permit for the 2020-2021 permit year, to request a refund of the fee. The Commission must grant the refund regardless of whether the permittee is operating at limited capacity

Jeffrey Hudson  
Director



Legislative Analysis  
Division  
919-733-2578

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pursuant to an executive order responding to the COVID-19 pandemic. Any permittee who receives a refund must repay it before 90 days after all executive orders limiting those permittees' full operation are rescinded or expire. Additionally, any covered person who held a permit in the 2020-2021 permit year, paid a renewal or registration fee, and surrendered the permit due to closure of the person's business can request a refund and is not required to repay the fee.

Section 4 of this act directs the Commission to reinstate or reactivate any ABC permits it cancelled or moved to inactive status based on its interpretation of Section 1 of S.L. 2020-94 as it existed prior to being amended by Section 1 of this act. In reinstating or reactivating the permits, the Commission must not require affected permittees to submit an application or pay any permit fees. Any permittee whose permit was cancelled or moved to inactive status in this manner and who paid the permit fee to have the permit reinstated or reactivated can request a refund of the fee.

**EFFECTIVE DATE:** Section 1 of this act became retroactively effective June 30, 2020. The remainder of this act became effective February 25, 2021.