



HOUSE BILL 454: Concord/Distribution of ABC Net Profits.

2023-2024 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 18, 2023
Introduced by:	Reps. K. Baker, Crutchfield, Staton-Williams	Prepared by:	Nicholas Giddings
Analysis of:	Second Edition		Alex Ramirez Staff Attorney

OVERVIEW: House Bill 454 would change the distribution of ABC profits in the City of Concord.

CURRENT LAW: Chapter 18B of the General Statutes controls the regulation of alcoholic beverages. G.S.18B-805(b)-(e) provide for the distribution of local ABC revenue in the following priority:

- **Subsection (b)** – Primary distributions.
- **Subsection (c)** – Secondary distributions, including a mandatory amount for law enforcement of at least 5% which is required of all local boards regardless of the provisions of any local act.
- **Subsection (d)** – Retention of revenue for working capital.
- **Subsection (e)** – Local board shall pay each quarter the remaining gross receipts to the general fund of the city or county for which the board is established unless some other distribution is provided for by law.

Section 5.14 of the Charter of the City of Concord outlines the City's distribution of ABC revenue. The Charter provides that after the payment of all costs and operating expenses and after retaining a sufficient working capital, the first 15% of the remaining net profits must be distributed for law enforcement. Of the remaining balance, 25% goes to Cabarrus County and 75% goes to the City of Concord.

BILL ANALYSIS: House Bill 454 would change the distribution of Concord ABC revenue so that after payment of all costs and operating expenses, the first 5% of remaining revenue would be paid for law enforcement, followed by the retention of any revenue for working capital. Of the remaining proceeds, 25% would still go to Cabarrus County and 75% would go to the City of Concord.

G.S. 18B-805(c)(2) requires that at least 5% of revenues that remain after certain priority distributions must be distributed for law enforcement. Any retention of revenue for working capital comes from revenue remaining after distributions required under G.S. 18B-805(b) and (c). Therefore, as the bill would reduce the amount distributed for law enforcement to 5%, the distribution for law enforcement must come before the retention of revenue for working capital to comply with the statutory requirements.

EFFECTIVE DATE: This act would be effective when it becomes law.

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