



# SENATE BILL 664: JMAC Flexibility / ABC Law Revisions.

2025-2026 General Assembly

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<b>Committee:</b>	House Alcoholic Beverage Control. If favorable, re-refer to Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	June 10, 2025
<b>Introduced by:</b>	Sens. B. Newton, McInnis	<b>Prepared by:</b>	Michael Johnston*
<b>Analysis of:</b>	PCS to Third Edition S664-CSCN-11		Committee Counsel

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**OVERVIEW:** *The Proposed Committee Substitute (PCS) to Senate Bill 664 would:*

- *Provide that a Job Maintenance and Capital Development Fund (JMAC) grant to a business that has qualified as a major employer would not be reduced for failing to maintain its required employment level unless the employment level falls short by more than 100 employees, at which point the grant would be reduced by one percent for every one employee more than 100 by which it falls short of the required employment level.*
- *Modify ABC laws to provide fortified wineries, unfortified wineries, and distilleries the same opportunity as breweries currently have to enter into alternating proprietorship arrangements.*

*The PCS removes the provisions in the Third Edition of Senate Bill 664 regarding megasites, selectsites, and the Job Development Investment Grant Program (JDIG). The PCS also makes two technical changes to the Third Edition of Senate Bill 664.*

## CURRENT LAW AND BILL ANALYSIS:

### Section 1: Revisions to JMAC Requirements

The Job Maintenance and Capital Development Program (JMAC) is a discretionary incentive program that awards annual grants to businesses that meet program requirements. Pursuant to G.S. 143B-437.012(a), the purpose of a JMAC grant is to encourage retention of significant numbers of high-paying, high-quality jobs and large-scale capital investment, enlarge the overall tax base, and increase revenues to the State and its political subdivisions.

Under current law, a business that receives a grant as a "major employer" must maintain the level of employment it had when it applied for the grant or when it first began its qualifying capital investment expenditure, whichever is less. Pursuant to G.S. 143B-437.012(d)(1), the term "major employer" is defined as a business that (1) has invested or intends to invest at least \$200 million in capital improvements within 6 years of the initial expenditure, (2) employs at least 2,000 permanent full-time workers, and (3) is located in a development tier one area at the time it applies for a grant. If the business fails to maintain the required employment level, its grant is reduced in proportion to its shortfall, but if its employment level falls below 80% of what is required, it is ineligible for a grant in that year.

**Section 1** of the PCS would provide that when a JMAC grant recipient that has qualified as a major employer fails to meet its required employment level by more than 100 employees, its JMAC grant will

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# Senate 664 PCS

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be reduced by one percent for every one employee more than 100 by which it falls short of the required employment level.

## **Section 2: Revisions to ABC Laws**

Under current law, a brewery is not deemed to have changed ownership when it enters into an "alternating proprietorship" arrangement with another brewery and so it does not thereby lose its ABC permits. An alternating proprietorship is an arrangement in which two or more people take turns using the physical premises of a brewery. Generally, the proprietor of an existing brewery, the "host brewery," agrees to rent space and equipment to a new "tenant brewer." The tenant qualifies as a brewer by filing the appropriate documents with federal Alcohol and Tobacco Tax and Trade Bureau. The tenant brewer produces malt beverages, maintains its own brewery records, labels the malt beverages with its own name and address, obtains the necessary Certificates of Label Approval, and pays tax at the appropriate rate upon removal of its malt beverages from the brewery. The tenant brewer has title to the malt beverages at all stages of the brewing process. If permitted by federal law, the host brewery facility may also hold, at the same facility, unfortified winery, fortified winery, and distillery permits.

**Section 2** of the PCS would provide unfortified winery, fortified winery, and distillery permittees the same opportunity as brewery permittees to enter into alternating proprietorship arrangements and to hold, at the same facility, other permits as authorized by federal law.

**EFFECTIVE DATE:** The PCS would be effective when it becomes law, and Section 1 of the PCS would apply to awards in effect on or after that date.

*\* LAD Staff Attorneys Bill Patterson and Chris Saunders substantially contributed to this summary.*