



North Carolina Spirits Association

Legislative Report
September 10, 2021

This was a short legislative week with members not returning from the Labor Day break until Tuesday evening. Many members then left early on Wednesday and headed to Caldwell County in western North Carolina to attend the first of thirteen redistricting meetings to be held across the State.

It seems that everyone is waiting with much anticipation to see if and when the budget process will begin to move along. With indications this week that leadership has given the various subcommittees the go-ahead to initiate efforts to finalize their portions of the budget, hopes are high that along with a budget any bills of importance left in committees will begin to move and work their way towards becoming law.

The House and Senate adjourned on Thursday and will reconvene on Monday September 13.

BILLS OF INTEREST

House Bill 890, ABC Omnibus Legislation, was approved by the full Senate on Wednesday by a vote of 35-7, and sent by special message to the House. The House then voted to concur in the Senate changes, by a vote of 95-8, and was then sent to the Governor later in the day Wednesday for his consideration.

On Friday, Governor Cooper signed House Bill 890 into law. It was assigned Session Law 2021-150.

The bill contains over 30 changes to the ABC laws. Here are the provisions that were priorities for the NC Spirits Association:

PART I. ALLOW ONLINE ORDERS FROM ABC STORES – would allow ABC stores to accept online orders, including payment, for alcoholic beverages sold in the store. These orders must be picked up in person at the ABC store by the individual who placed the order, who must be an individual who is at least 21 years old and otherwise lawfully entitled to purchase alcoholic beverages. An employee of the ABC store would be required to confirm that the order is picked up in person by the individual who placed the order by verifying that the individual's identification matches identifying information in the online order. This Part would also direct the ABC Commission to adopt rules to determine how long the product will be set aside without being picked up before the product is returned to inventory and the customer refunded. This Part would become effective October 1, 2021, and would apply to sales on or after that date.

PART II. ALLOW PERSONALIZED LABEL ON SPIRITUOUS LIQUOR PURCHASE - would allow bottles of spirituous liquor on the special item list approved by the ABC Commission (Commission) sold at an ABC store, or bottles of spirituous liquor sold at a distillery, to be affixed with personalized labeling that is approved by the ABC Commission and complies with any other labeling requirements set by law. The personalized labeling could not cover any portion of the manufacturer's original label. The term "personalized labeling" means the inclusion of any of the following on the label:

- (1) The name of the purchaser of the bottle or the name of any individual, business entity, club, ABC Board or ABC store on whose behalf the bottle is purchased.
- (2) "Bottled for", "distilled for", "in honor of", or other similar language.
- (3) Dates, locations, occasions, and other similar information."

This Part would become effective October 1, 2021, and would apply to spirituous liquor sold on or after that date.

PART VI. WINERY AND DISTILLERY LAW REVISIONS – **Section 6.2** would establish an optional nonresident spirituous liquor vendor permit with a one-time fee of \$100. This permit would be issued to a distiller, a brokerage, or a liquor importer/bottler outside North Carolina who desires to sell, deliver, and ship spirituous liquor into this State. A nonresident spirituous liquor vendor permit would allow the holder to sell, deliver, and ship spirituous liquor to the State warehouse. The permit would also allow the holder to ship or deliver spirituous liquor to the permittee's permitted vendor representative in an amount necessary for any consumer tasting events scheduled within one calendar month of the shipment or delivery. This section would also make changes to the limitations on spirituous liquor tasting events conducted under a spirituous liquor special event permit, and allow the sale of mixed beverages and provision of 50 milliliter mini-bottles of spirituous liquor in conjunction with certain tasting events. Only one mini-bottle per consumer per distillery may be provided at a consumer tasting event. This section would become effective 90 days after this act becomes law. This provision was changed from mandatory to optional at the request of the NC Spirits Association.

PART XV. ALLOW ABC STORES TO SELL REFRIGERATED BEVERAGES - would explicitly allow ABC stores to sell alcoholic beverages authorized for sale in the ABC store in a refrigerated unit. This Part becomes effective October 1, 2021, and applies to sales on or after that date.

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