



NC Senate Bill 527 - 2024 ABC Omnibus

On July 8, Governor Roy Cooper signed into law [NC Senate Bill 527](#), the 2024 ABC Omnibus bill. Provisions of interest to NC breweries are summarized below.

Note that the overview provided below is a summarization, and as written should not be understood verbatim as law. [Click here to reference the full text of SB 527.](#)

1. EXCLUDE READY-TO-DRINK COCKTAILS FROM MIXED BEVERAGE CHARGE

SECTION 1.(a)

"§ 18B-101. Definitions

(8b) "Premixed cocktail" means a single-serving drink in the manufacturer's original closed container of 24 fluid ounces or less containing at least one-half of one percent (0.5%), and no more than thirteen percent (13%), alcohol by volume and consisting of spirituous liquor premixed with any or all of the following: nonalcoholic beverages, flavoring, or coloring. A premixed cocktail may contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, and other similar products manufactured by fermenting fruit or fruit juices.

...

(10) "Mixed beverage" means either of the following:

- a. A drink composed in whole or in part of spirituous liquor and served in a quantity less than the quantity contained in a closed package.
- b. A premixed cocktail served from a closed package containing only one serving. cocktail sold by a mixed beverages permittee, regardless of whether the premixed cocktail is sold in an open container or a closed container.

→ **Creates a definition for a premixed cocktail, which allows mixed beverage permittees to serve the premixed cocktail in its original package (ie. canned cocktail.)**

SECTION 1.(b)

"(8) If the spirituous liquor is sold to a mixed beverage permittee for resale in mixed beverages, a charge of twenty dollars (\$20.00) on each four liters and a proportional sum on lesser quantities. This subdivision shall not apply to premixed cocktails sold to a mixed beverage permittee in a closed package for resale in or from the closed package,

and a mixed beverages tax stamp shall not be required on these closed packages."

→ Allows for packaged premixed beverages (in closed containers) to be exempted from the Mixed Beverage Charge and tax stamp, when sold to a mixed beverage permittee for resale.

2. RAISE CAP ON POINT-OF-SALE ADVERTISING MATERIALS, PRODUCT DISPLAYS, AND COOLERS

SECTION 4.(a) G.S. 18B-105 is amended by adding two new subsections to read:

(c) A beer or wine wholesaler may give, furnish, loan, rent, or sell retailer advertising specialty items and product displays to a retail permittee, so long as the items have not been customized for an individual retail permittee, and provided that the value of the items per brand does not exceed six hundred dollars (\$600.00) per year. For the purposes of this subsection, the following definitions apply:

(1) Product displays. – Racks, bins, barrels, casks, shelving, and similar items from which malt beverages, wine, or spirituous liquor are displayed and sold.

(2) Retailer advertising specialty items. – Items such as trays, coasters, mats, meal checks, paper napkins, glassware, cups, foam scrapers, back bar mats, thermometers, and other similar items that bear advertising matter.

→ This provision raises the cap on POS retailer advertising & product display items provided to a retailer from beer or wine wholesalers (inc. breweries with wholesaler permits.) The Guild influenced this bill provision by successfully lobbying to lower the cap amount from \$1000 to a compromised \$600 per brand, per year.

3. ALLOW TO-GO AND DELIVERY SALES OF MIXED BEVERAGES AND WINE BY THE GLASS

SECTION 5.(a) G.S. 18B-1001(10), as amended by Section 17(a) of this act, reads as rewritten:

→ “Breweries” were added to this section’s listing of allowable establishments eligible to hold the following permits:

(3) On-Premises Unfortified Wine Permit.

...

(5) On-Premises Fortified Wine Permit.

(10) Mixed Beverages Permit.

→ Additionally, breweries were specifically included in the subsequent language

that authorizes holders of the above permits to sell at retail single-serving drinks for delivery or off-premise consumption.

- **Drinks must be sold with food,**
- **Packaged in a container with a secure lid,**
- **Be no greater than 24 fl oz.**
- **Mixed Beverages permit holders should follow the same rules as below, with the addendum that, a mixed beverage sold for consumption off the premises may be a premixed cocktail in the manufacturer's original closed container, or packaged in a container with a secure lid or cap, and in a manner designed to prevent consumption without removal of the lid or cap, thereby allowing a premixed cocktail in its original packaging (ie. canned cocktail.)**

Additionally, an on-premises (unfortified/fortified) wine permit authorizes a permittee that is a restaurant, eating establishment, hotel, private club, bar, brewery, winery, or wine producer to sell at retail single-serving (unfortified / fortified) wine drinks for consumption off the premises, including delivery by the permittee or a delivery service permittee. Single-serving (unfortified / fortified) wine drinks sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. Notwithstanding G.S. 20-138.7, the transportation of single-serving (unfortified / fortified) wine drinks shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. Notwithstanding G.S. 18B-1010, the sale of more than two single-serving (unfortified / fortified) wine drinks at one time shall not be unlawful if the single-serving (unfortified / fortified) wine drinks are sold for delivery or consumption off the permittee's premises. No single-serving (unfortified / fortified) wine by the drink ordered for off-premises consumption shall be provided to any person other than the purchaser of the single-serving (unfortified / fortified) wine drink, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the single-serving (unfortified / fortified) wine drink to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

4. ALLOW MIXED BEVERAGE PERMITTEES TO PURCHASE SPIRITUOUS LIQUOR FROM ANY DESIGNATED ABC STORE IN THE SAME COUNTY AND MODIFY ELIGIBILITY FOR SMALL TOWNS TO HOLD ALCOHOL ELECTIONS

Section 6.(a) G.S. 404(c) reads as rewritten:

(c) Designated Store. - A mixed beverage permittee may purchase spirituous liquor from an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee.

→ Mixed Beverage Permittees may now purchase spirituous liquor for resale from any mixed beverage ABC store in the same county as the permittee, per local

election, versus previously having to purchase from a Board designated store.

5. ALLOW MIXED BEVERAGE PERMITTEES TO COVER MIXED BEVERAGE TAX STAMPS WITH CLEAR ADHESIVE TO PREVENT THEM FROM FALLING OFF CONTAINERS OF SPIRITUOUS LIQUOR

→ **Mixed Beverage Permittees may re-secure the beverage tax stamp with clear tape to prevent them from falling off. The permittee may not otherwise, destroy, alter, or deface the tax stamp.**

6. TRANSITION PERIOD FOR ABC PERMITTEE OWNERSHIP; SAFE HARBOR AND LATE RENEWAL FEES; CLARIFICATION REGARDING TRANSFER OF A PERMITTED ESTABLISHMENT TO A TRUST; AND TEMPORARY PERMIT CHANGES **** Passage of this provision was a lobbying priority for the Guild. ****

SECTION 13.(a) G.S. 18B-903 reads as rewritten:

"§ 18B-903. Duration of permit; renewal and transfer.

(a) Duration. – Once issued, ABC permits shall be valid for the following periods, unless earlier surrendered, suspended or revoked:

...
(4) Temporary permits issued under G.S. 18B-905 shall be valid for 90 days. After 90 days, a temporary permit shall no longer be deemed a temporary permit and shall be deemed to have been issued under either subdivision (a)(1) or (a)(5) of this section, as applicable, and shall remain valid pursuant to the applicable subdivision.

→ **A temporary brewery permit will automatically be transitioned and considered as permanent after a period of 90 days.**

...
(b3) Safe Harbor; Late Fees. – Notwithstanding subsection (a) of this section, the Commission shall not revoke a permit for failure to pay a renewal application fee or an annual registration and inspection fee until June 1 of each year. No later than five business days after April 30 of each year, the Commission shall notify permittees who have not paid any required Page 14 Session Law 2024-41 Senate Bill 527 renewal application fees or annual registration and inspection fees as of April 30. The Commission shall charge a late fee of twenty-five percent (25%) of the renewal application fee or registration and inspection fee for a permit for which the renewal application fee or registration and inspection fee is submitted after April 30.

→ **Creates a late fee period during which a permit can simply be reinstated with a late fee (versus canceled.) Also requires the ABC to notify delinquent permittees within 5 days of who have not paid their annual renewal fee by April 30th.**

(c) Change in Ownership.

...

(2) Notwithstanding subsection (e) of this section, any person who through contract, lease, management agreement, or change of ownership or transfer of business as provided in subdivision (1) of this subsection becomes lawfully entitled to use and control of the premises of an establishment that holds permits immediately prior to such change of ownership may continue to operate the establishment, as successor to the prior permittee, to the same extent as the predecessor permittee until the person receives a temporary or new permit, including purchasing malt beverages, unfortified wine, or fortified wine to be resold for on-premises or off-premises consumption, or spirituous liquor for use in mixed beverages sold by the establishment, as applicable under the permit, subject to the following limitations:

- a. The person shall provide written or electronic notice to the Commission of the name of the non-permitted person, the name and address of the permitted establishment, and the date of the change in ownership. The person may not operate the establishment as provided in this subdivision until the person has provided notice to the Commission. The Commission shall not require any additional documentation besides the written or electronic notice to satisfy this requirement. The prior permittee shall not be liable for any acts or omissions of the non-permitted person operating the establishment. Any alcoholic beverage offenses committed by the person or any actions taken by the Commission to revoke or suspend the permit based on the acts or omissions of the person operating the establishment shall not preclude the prior permittee from receiving an ABC permit for a different establishment.
- b. The person shall submit a new permit application to the Commission within 60 days after the change of ownership. If the person does not apply for a new permit within 60 days, all permits for the establishment shall automatically expire and shall be surrendered to the Commission. If the person has applied to the applicable local government for the Inspection/Zoning Compliance and Local Government Opinion forms required for the application but has not received approvals or denials from the local government within the 60-day period, the applicant may submit a sworn affidavit with the application stating that the person has applied to the local government for the Inspection/Zoning Compliance and Local Government Opinion approvals in lieu of those approvals. The person shall send the local government approvals or denials to the Commission within three business days of receiving the approvals or denials. If the local government finds the person to be in noncompliance, the person may not operate during the transition period allowed by this subdivision until the establishment is brought into compliance.

e. The person shall be authorized to operate the establishment as successor to the prior permittee to the same extent as the predecessor permittee until the Commission either issues or denies the permit application submitted pursuant to sub-subdivision b. of this subdivision.

...

(2a) The transfer by a person of any ownership interest to a revocable or irrevocable trust established by the person shall not constitute a change in ownership for purposes of subdivision (1) of this subsection if the person transferring the ownership interest to the trust continues to operate the establishment. If the person who transferred the ownership interest ceases to operate the establishment following the transfer of the ownership interest to the trust, this shall constitute a change in ownership for purposes of subdivision (1) of this subsection. The trustee shall notify the Commission within 30 days if the person who transferred the ownership interest ceases to operate the establishment.

→ This provision provides for continuity of operations throughout the permitting process in the event of a change in ownership, allowing the new owner to operate under the authorization of the prior permit, until the new permit is either issued or denied.

7) MAKE TECHNICAL CORRECTIONS RELATED TO BARS AND ALLOW MALT BEVERAGES TO BE MIXED WITH OTHER BEVERAGES

SECTION 14.(a) G.S. 18B-1001, as amended by Section 5(a) of this act, reads as rewritten:

"§ 18B-1001. Kinds of ABC permits; places eligible

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

(1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit authorizes (i) the retail sale of malt beverages for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of malt beverages in a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled.

→ The revision now allows for beer to be served on-premises alone or mixed with other beverages.

8. ESTABLISH TWO NEW PERMITS AND REGULATE OUTSIDE ALCOHOL AT ADULT LIVE ENTERTAINMENT BUSINESSES

SECTION 16.(a) G.S. 18B-1001 is amended by adding two new subdivisions to read:

(24) Cotenant Permit. – A permit under this subdivision may be issued to a restaurant that occupies the same building as another ABC permittee, provided that the building has no other tenants and the building does not have a common area that is open to the public but not part of the premises of one of the two permittees. The permit authorizes the permittee to allow customers to bring open containers of malt beverages, unfortified wine, fortified wine, or mixed beverages from the premises of the other ABC permittee who occupies the same building onto the premises of the permit holder.

→ **If a restaurant shares a building with an ABC permittee, the restaurant may apply for a Cotenant permit (\$50.00), which would allow customers to bring open beverages from the ABC permittee's premises onto the restaurant premises, provided that there are no other tenants in the building and there is not a public common area (not a part of either business' premises.)**

9. REQUIRE ALCOHOL LAW ENFORCEMENT TO NOTIFY PERMIT HOLDER OF VIOLATIONS SECTION

19.(a) G.S. 18B-502 is amended by adding a new subsection to read:

(c) If any alcohol law enforcement agent or local ABC officer issues a citation to an employee of a permitted establishment, who is not the named holder of an ABC permit for the establishment, for conduct occurring on the premises of the establishment that is a violation of this Chapter or Chapter 14 of the General Statutes, the alcohol law enforcement agent or local ABC officer shall send notice by electronic means or certified mail to the holder of the permit within five business days of the issuance of the citation. If the Commission receives a report from a law enforcement agency other than the Division of Alcohol Law Enforcement of the Department of Public Safety or a local ABC officer documenting violations of this Chapter or Chapter 14 of the General Statutes for conduct occurring on the premises of a permitted establishment, the Commission shall send notice of the alleged violation to the holder of the permit within five business days of receipt of the law enforcement agency report. The written notice shall identify the currently alleged violations and the involved employee. Nothing in this subsection shall prevent or limit the Commission from taking any additional action warranted by the circumstances of the violation."

]SECTION 19.(b) This section becomes effective September 1, 2024, and applies to violations occurring on or after that date.

→ **In the event that an employee of a permitted establishment is cited with a violation, this provision requires the alcohol law agent, or local ABC officer, must notify within 5 days the owner of the permitted establishment of the violation and identify the involved employee.**

10. DIRECT ABC COMMISSION TO EXPAND PREMISES TO COVER CERTAIN CONTIGUOUS PROPERTIES

SECTION 24. G.S. 18B-1006 is amended by adding a new subsection to read:

(s) The Commission shall treat as a single premises two or more contiguous parcels with different addresses if the parcels meet all of the following conditions:

- (1) Each parcel is connected to one or more other parcels such that the parcels share a single perimeter.
- (2) The parcels are under common ownership or control, as evidenced by deed, lease, or management agreement. Page 30 Session Law 2024-41 Senate Bill 527
- (3) Access between the buildings on the parcels is available to customers without requiring customers to enter the public street or sidewalk."

→ **This provision details the requirements for two contiguous properties to be treated as a single premises.**

11. ALLOW SALE OF BEER AND WINE AT COMMUNITY COLLEGE SPORTING EVENTS

S SECTION 29. G.S. 18B-1006(a) reads as rewritten:

A stadium, athletic facility, or arena on the campus or property of a public college or university, if the Board of Trustees of the public college or university has voted to allow the issuance of permits for use at that stadium, athletic facility, or arena. If a Board of Trustees votes to allow the issuance of permits in accordance with this subdivision, the Board of Trustees shall provide written notice to the Commission that it has voted to allow the issuance of permits. ~~For purposes of this subdivision, the term "public college or university" does not include a community college.~~

→ **A community college may now hold a permit to allow beer and wine to be sold at sporting events.**

12. ALLOW POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES IN THE SECURITY-SCREENED AREA OF AIRPORTS

SECTION 31. Article 3 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"§ 18B-300.3. Possession and consumption of alcoholic beverages in the security-screened area of airports.

(a) During the hours of airport operation, any establishment permitted under subdivision (1), (3), (5), or (10) of G.S. 18B-1000 and operating in the Transportation Security Administration-screened portion of an airport may, with the written approval of the airport authority, sell the alcoholic beverages it is permitted to sell for consumption throughout the

Transportation Security Administration-screened portion of the establishment's respective airport terminal.

(b) An alcoholic beverage served for consumption throughout an establishment's airport terminal shall be served in a container that meets all of the following requirements: Page 36 Session Law 2024-41 Senate Bill 527 (1) The container is not comprised of glass. (2) The container displays, in no less than 12-point font, the statement, "Drink Responsibly – Be 21." (3) The container shall not hold more than 16 fluid ounces.

(c) A customer may purchase and consume alcoholic beverages throughout the interior of the Transportation Security Administration-screened portion of the respective airport terminal, provided that the purchase is from an approved establishment permitted under subdivision (1), (3), (5), or (10) of G.S. 18B-1000.

(d) This section applies only to airports that service airplanes boarding at least 150,000 passengers annually."

→ NC airports will now be authorized to allow customers to take their drinks throughout the security screened area of the airport, as long as the drink is in a designated plastic cup. Airports are the newest social district!

13. MODIFY TRADE PRACTICE LAWS SECTION

32.(a) G.S. 18B-1116 reads as rewritten:

"§ 18B-1116. Exclusive outlets prohibited.

(a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or indirectly to do any of the following:

- (1) Require that an alcoholic beverage retailer purchase any alcoholic beverages from that person to the full or partial exclusion of any other alcoholic beverages offered for sale by other persons in this State; or State.
- (2) Have any direct or indirect financial interest in the business of any alcoholic beverage retailer in this State or in the premises where the business of any alcoholic beverage retailer in this State is conducted; or conducted.
- (3) Lend or give to any alcoholic beverage retailer in this State or his the retailer's employee or to the owner of the premises where the business of any alcoholic beverage retailer in this State is conducted, any money, service, equipment, furniture, fixtures or any other thing of value.
- (4) Provide draft line cleaning services to an alcoholic beverage retailer unless the retailer pays the fair market value for such services.

A brewery qualifying under subdivision (7) or (8) of G.S. 18B-1104(a) is not subject to the provisions of this section concerning financial interests in, and lending or giving things of value to, a wholesaler or retailer with respect to the brewery's transactions with the retail business on its premises or other retail locations allowed under G.S. 18B-1104(a)(8). The brewery is subject

to the provisions of this subsection, however, with respect to its transactions with all other wholesalers and retailers.

- **The revision of this provision now states that it is unlawful for a manufacturer or wholesaler to provide draft line cleaning services to an alcoholic beverage retailer unless the retailer pays the fair market value for such services.**
 - A brewery is allowed to maintain the draft lines in its own retail locations.
 - A brewery would not be allowed to provide third party draft line cleaning services to its retail accounts.

14. PERMANENTLY ALLOW FIFTEEN YEAR OLDS TO WORK IN ABC-PERMITTED ESTABLISHMENTS

SECTION 34. G.S. 95-25.5(j) reads as rewritten:

- (j) No person who holds any ABC permit issued pursuant to the provisions of Chapter 18B of the General Statutes for the on-premises sale or consumption of alcoholic beverages, including any mixed beverages, shall employ a youth:
 - (1) Under 16-15 years of age on the premises for any purpose, unless the youth is at least 14 years of age and each of the following conditions is met:
 - a. The person obtains the written consent of a parent or guardian of the youth.
 - b. The youth is employed to work on the outside grounds of the premises for a purpose that does not involve the preparation, serving, dispensing, or sale of alcoholic beverages.
 - (2) Under 18 years of age to prepare, serve, dispense or sell any alcoholic beverages, including mixed beverages, except for sale of alcoholic beverages at the point-of-sale for only off-premises consumption.

→ **A 15 year old may now be permitted to work on an ABC permitted premises, however is not allowed to serve, dispense, or sell alcoholic beverages. A youth may work at the point-of sale if beverages are packaged and for off-premise consumption only.**