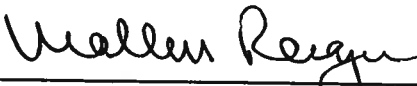


SUBMISSION FOR PERMANENT RULE

FILED

1. Rule-Making Agency: Alcoholic Beverage Control Commission	
2. Rule citation & name (name not required for repeal): 14B NCAC 15A .1603 – Requirements for Storage	
2019 FEB -4 PM 3: 27	
3. Action: <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION	
4. Rule exempt from RRC review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	5. Rule automatically subject to legislative review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
6. Notice for Proposed Rule: <input checked="" type="checkbox"/> Notice Required Notice of Text published on: October 15, 2018 Link to Agency notice: https://abc.nc.gov/ Hearing on: December 12, 2018 Adoption by Agency on: January 16, 2019 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
7. Rule establishes or increases a fee? (See G.S. 12-3.1) <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	8. Fiscal impact (check all that apply): <input type="checkbox"/> State funds affected <input type="checkbox"/> Environmental permitting of DOT affected and analysis submitted to Board of Transportation <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
9. REASON FOR ACTION	
9A. What prompted this action? Check all that apply: <input type="checkbox"/> Agency <input type="checkbox"/> Court order / cite: <input type="checkbox"/> Federal statute / cite: <input type="checkbox"/> Federal regulation / cite: <input checked="" type="checkbox"/> Legislation enacted by the General Assembly Cite Session Law: S.L. 2018-100, Sec. 2 <input type="checkbox"/> Petition for rule-making <input type="checkbox"/> Other:	
9B. Explain: To amend a permanent rule to eliminate the requirement that a distiller representative be present for the destruction of distress liquor, as directed by the General Assembly in S.L. 2018-100, Sec. 2.	
10. Rule-making Coordinator: Walker Reagan Address: 400 East Tryon Road Raleigh, NC 27610 Phone: 919-779-8367 E-Mail: walker.reagan@abc.nc.gov Agency Contact, if any: Phone: E-Mail:	11. Signature of Agency Head* or Rule-making Coordinator: <div style="text-align: center; margin-top: 10px;">  </div> <hr style="width: 80%; margin: 0 auto;"/> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Walker Reagan Title: Rule-making Coordinator
RRC AND OAH USE ONLY	
Action taken: <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

1 14B NCAC 15A .1603 is amended with changes as published in 33:08 NCAC 824 as follows:

2
3 **14B NCAC 15A .1603 REQUIREMENTS FOR STORAGE**

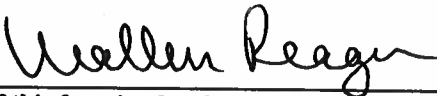
4 All privately-owned bonded warehouses holding permits for the storage of spirituous liquors are required to:

- 5 (1) store all liquor ~~separately~~separate and apart from other merchandise;
- 6 (2) store all military codes ~~separately~~separate and apart from state codes;
- 7 (3) store all liquor of the same code together and spaced evenly for inventory purposes;
- 8 (4) submit to the Commission monthly reports of all spirituous liquors received and delivered so that a
9 perpetual inventory may be kept at the Commission, which report must match the inventory at the
10 bonded warehouse at all times and upon inspections for inventory purposes;
- 11 (5) take at their expense, and submit to the Commission, semi-annual inventories of all spirituous
12 liquors being held in the bonded warehouse, which inventories may be observed by representatives
13 of the Commission or the State Auditor's Office;
- 14 (6) return all distressed liquor received to the distiller within 30 days of its receipt, ~~or destroy in the~~
15 ~~presence of a distiller representative; receipt: [X]~~
- 16 (7) ~~destroy, in the presence of the distiller representative for the brand involved,~~ destroy all liquor that
17 becomes distressed after it is ~~received~~received, after notifying the distiller and obtaining in writing
18 the distiller's approval to destroy the distressed liquor. The distiller, or a representative of the
19 distiller, shall be given an opportunity to:
- 20 (a) be present in person or by video conference at the destruction, or
- 21 (b) request proof of destruction by photographs or video recordings showing the distressed
22 liquor before and after the destruction.

23 The distiller shall be provided with a written or electronic copy of the Unsalable Merchandise Report
24 for the distressed liquor destroyed. The report shall contain the name and title of the distiller, or
25 representative of the distiller, who provided written approval to destroy the distressed liquor and the
26 date the approval to destroy was given. A written or electronic copy of the report shall be sent
27 quarterly to the Commission.

28
29 *History Note: Authority G.S. 18B-100; 18B-204; 18B-207; S.L. 2018-100, Sec. 2;*
30 *Eff. January 1, 1982;*
31 *Amended Eff. May 1, 1984;*
32 *Transferred and Recodified from 04 NCAC 02R .1603 Eff. August 1, 2015;*
33 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
34 *2015.*
35
36

SUBMISSION FOR PERMANENT RULE

1. Rule-Making Agency: Alcoholic Beverage Control Commission FILED	
2. Rule citation & name (name not required for repeal): 14B NCAC 15A .1604 – Prohibited Practices	
2019 FEB -4 PM 3: 27	
3. Action: <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION	
4. Rule exempt from RRC review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	5. Rule automatically subject to legislative review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
6. Notice for Proposed Rule: <input checked="" type="checkbox"/> Notice Required Notice of Text published on: October 15, 2018 Link to Agency notice: https://abc.nc.gov/ Hearing on: December 12, 2018 Adoption by Agency on: January 16, 2019 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
7. Rule establishes or increases a fee? (See G.S. 12-3.1) <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	8. Fiscal impact (check all that apply): <input type="checkbox"/> State funds affected <input type="checkbox"/> Environmental permitting of DOT affected and analysis submitted to Board of Transportation <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
9. REASON FOR ACTION	
9A. What prompted this action? Check all that apply: <input type="checkbox"/> Agency <input type="checkbox"/> Court order / cite: <input type="checkbox"/> Federal statute / cite: <input type="checkbox"/> Federal regulation / cite: <input checked="" type="checkbox"/> Legislation enacted by the General Assembly Cite Session Law: S.L. 2018-100, Sec. 2 <input type="checkbox"/> Petition for rule-making <input type="checkbox"/> Other:	
9B. Explain: To amend a permanent rule to eliminate the requirement that a distiller representative be present for the destruction of distress liquor, as directed by the General Assembly in S.L. 2018-100, Sec. 2.	
10. Rule-making Coordinator: Walker Reagan Address: 400 East Tryon Road Raleigh, NC 27610 Phone: 919-779-8367 E-Mail: walker.reagan@abc.nc.gov Agency Contact, if any: Phone: E-Mail:	11. Signature of Agency Head* or Rule-making Coordinator: <div style="text-align: center; margin-top: 10px;">  </div> <hr/> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Walker Reagan Title: Rule-making Coordinator
RRC AND OAH USE ONLY	
Action taken: <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

1 14B NCAC 15A .1604 is amended as published in 33:08 NCR 824 as follows:

2
3 **14B NCAC 15A .1604 PROHIBITED PRACTICES**

4 (a) The removal of any spirituous liquors except as provided for in these Rules to any place except the ~~state~~State ABC
5 warehouse, military posts, points outside the State of North Carolina or the shipping distillery is prohibited.

6 (b) No liquor, distressed or otherwise, shall be given to any distiller representative or employee of the warehouse but
7 shall be destroyed in accordance with Rule .1603 of this Section and recorded in the Unsalable Merchandise ~~Report~~
8 ~~in the presence of a distiller representative.~~Report.

9
10 *History Note: Authority G.S. 18B-100; 18B-204; 18B-207; S.L. 2018-100, Sec. 2;*

11 *Eff. January 1, 1982;*

12 *Amended Eff. May 1, 1984;*

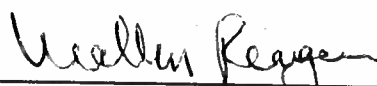
13 *Transferred and Recodified from 04 NCAC 02R .1604 Eff. August 1, 2015;*

14 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
15 *2015;*

16 *Amended Eff. April 1, 2019.*

SUBMISSION FOR PERMANENT RULE

FILED

1. Rule-Making Agency: Alcoholic Beverage Control Commission	
2. Rule citation & name (name not required for repeal): 14B NCAC 15A .1701 – Removal of Beverages from ABC Stores	
2019 FEB -4 PM 3: 27 OFFICE OF ADMIN HEARINGS	
3. Action: <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION	
4. Rule exempt from RRC review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	5. Rule automatically subject to legislative review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
6. Notice for Proposed Rule: <input checked="" type="checkbox"/> Notice Required Notice of Text published on: October 15, 2018 Link to Agency notice: https://abc.nc.gov/ Hearing on: December 12, 2018 Adoption by Agency on: January 16, 2019 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
7. Rule establishes or increases a fee? (See G.S. 12-3.1) <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	8. Fiscal impact (check all that apply): <input type="checkbox"/> State funds affected <input type="checkbox"/> Environmental permitting of DOT affected and analysis submitted to Board of Transportation <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
9. REASON FOR ACTION	
9A. What prompted this action? Check all that apply: <input type="checkbox"/> Agency <input type="checkbox"/> Court order / cite: <input type="checkbox"/> Federal statute / cite: <input type="checkbox"/> Federal regulation / cite: <input checked="" type="checkbox"/> Legislation enacted by the General Assembly Cite Session Law: S.L. 2018-100, Sec. 2 <input type="checkbox"/> Petition for rule-making <input type="checkbox"/> Other:	
9B. Explain: To amend a permanent rule to eliminate the requirement that a distiller representative be present for the destruction of distress liquor, as directed by the General Assembly in S.L. 2018-100, Sec. 2.	
10. Rule-making Coordinator: Walker Reagan Address: 400 East Tryon Road Raleigh, NC 27610 Phone: 919-779-8367 E-Mail: walker.reagan@abc.nc.gov Agency Contact, if any: Phone: E-Mail:	11. Signature of Agency Head* or Rule-making Coordinator:  <hr/> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Walker Reagan Title: Rule-making Coordinator
RRC AND OAH USE ONLY	
Action taken: <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

1 14B NCAC 15A .1701 is amended with changes as published in 33:08 NCAC 824 as follows:

2
3 **14B NCAC 15A .1701 REMOVAL OF BEVERAGES FROM ABC STORES**

4 (a) ~~Spirituos~~ Except as allowed pursuant to Paragraph (b) of this Rule, ~~spirituos~~ liquor, either distressed or
5 otherwise, shall not leave the custody of a local board after receipt unless:

- 6 (1) The spirituous liquor is sold at retail;
7 (2) The liquor is returned to the ~~state~~State ABC warehouse; or
8 (3) The liquor is purchased, exchanged, or otherwise obtained by another local board as provided by
9 14B NCAC 15A .1301(e).

10 Any spirituous liquor otherwise leaving the local board is nontaxpaid spirituous liquor.

11 (b) Distressed Liquor. Distressed liquor shall be given to a public or private hospital for medicinal purposes only or
12 destroyed and the destruction witnessed by the manager, or ~~his designee and a distiller representative~~the manager's
13 designee in accordance with this Paragraph. The local board shall notify the distiller, or a representative of the distiller,
14 in writing of the intent to destroy the distressed liquor, and obtain the distiller's, or a representative of the ~~distiller's,~~
15 distiller's written approval to destroy the distressed liquor. The distiller, or a representative of the distiller, shall be
16 given an opportunity to:

- 17 (1) be present in person or by video conference at the destruction, or
18 (2) request proof of destruction by photographs or video recordings showing the distressed liquor before
19 and after the destruction.

20 A Destruction of Unsalable Merchandise Report shall be completed and signed by the witnessing parties. The report
21 shall contain the name and title of the distiller, or representative of the distiller, who provided written approval to
22 destroy the distressed liquor and the date the approval to destroy was given. A written or electronic copy of the report
23 shall be sent to the distiller and a written or electronic copy shall be sent quarterly to the Commission. The original
24 shall be retained by the local board for a period of three years.

25 (c) No sales of alcoholic beverages shall be made to employees, board members or other retail customers on credit.
26 This does not prohibit purchases made by the use of credit cards.

27
28 *History Note: Authority G.S. 18B-100; 18B-207; 18B-806; 18B-807; S.L. 2018-100, Sec. 2;*

29 *Eff. January 1, 1982;*

30 *Amended Eff. January 1, 2011; July 1, 1992; May 1, 1984;*

31 *Transferred and Recodified from 04 NCAC 02R .1701 Eff. August 1, 2015;*

32 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
33 *2015;*

34 *Amended Eff. April 1, 2019.*