



NOTICE OF TEXT
[Authority G.S. 150B-21.2(c)]
[Revised 6-24-19]

OAH USE ONLY

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

- Notice with a scheduled hearing
 Notice without a scheduled hearing
 Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.
Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: Alcoholic Beverage Control Commission

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://abc.nc.gov/>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

- ADOPTION:
- AMENDMENT: 14B NCAC 15A .0902, .0903, .0905, .0907, .1003, .1006, .1101 - .1103, .1203, .1301, .1302, .1304, .1404 - .1406.
- REPEAL: 14B NCAC 15A .1204
- READOPTION with substantive changes:
- READOPTION without substantive changes:
- REPEAL through READOPTION:

4. Proposed effective date: December 1, 2019

5. Is a public hearing planned? Yes No

If yes: Public Hearing date: September 11, 2019

Public Hearing time: 10:00 a.m.

Public Hearing location: ABC Commission Hearing Room, 400 East Tryon Road, Raleigh, NC 27610

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s): To update, modernize, and conform rules related to the administration of the local Alcoholic Beverage Control boards, including maintenance of working capital, deposits, financial audits, personnel policies, local rules, approval of new stores, commercial storage and transportation of spirituous liquor, and local board purchases.

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Walker Reagan

Address: 400 East Tryon Road
Raleigh, NC 27610

Phone (optional): 919-779-8367

Fax (optional): 919-661-6165

E-Mail (optional): walker.reagan@abc.nc.gov

10. Comment Period Ends: September 13, 2019

11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- State funds affected
- Local funds affected
- Substantial economic impact (\geq \$1,000,000)
- Approved by OSBM
- No fiscal note required

12. Rule-making Coordinator: Walker Reagan

Phone: 919-779-8367

E-Mail: walker.reagan@abc.nc.gov

Additional agency contact, if any: Renee Metz

Phone: 919-779-8331

E-mail: renee.metz@abc.nc.gov

13. The Agency formally proposed the text of this rule(s) on
Date: June 12, 2019

14. Signature of Agency Head* or Rule-making Coordinator:



Typed Name: Walker Reagan
Title: Rule-making Coordinator

**If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.*

1 14B NCAC 15A .0902 is proposed for amendment as follows:

2
3 **14B NCAC 15A .0902 MAINTENANCE OF WORKING CAPITAL**

4 ~~(a) As used in this Rule, "working capital" means the total of cash, investments and inventory less all unsecured~~
5 ~~liabilities.~~

6 ~~(b)(a)~~ A local board shall set its working capital requirements at not less than two weeks' average gross sales of the
7 latest fiscal year nor greater than:

- 8 (1) four months of the latest fiscal year for boards with gross sales less than one million five hundred
9 thousand dollars (\$1,500,000);
10 (2) three months of the latest fiscal year for boards with gross sales greater than or equal to one million
11 five hundred thousand dollars (\$1,500,000) and less than fifty million dollars (\$50,000,000); and
12 (3) two months of the latest fiscal year for boards with gross sales equal to or greater than fifty million
13 dollars (\$50,000,000).

14 ~~Gross sales means gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-~~
15 ~~805(b)(2),(3), and (4).~~

16 ~~(e)(b)~~ A local board is considered insolvent if all of the following conditions apply:

- 17 (1) the local board does not adhere to the working capital requirements as stated in Paragraph ~~(b)(a)~~ of
18 this Rule;
19 (2) the local board's current assets are less than the local board's current liabilities and the current
20 portion of long term debt;
21 (3) the local board is unable to pay its debts as they fall due; and
22 (4) the Commission believes that continued operation of the local board will not lead to profits in the
23 next fiscal year.

24 ~~(d)(c)~~ As used in this Rule, "long term debt" means the loans and financial obligations lasting over one year.

25
26 *History Note: Authority G.S. 18B-100; 18B-203(a)(20); 18B-207; 18B-702(u); 18B-805(a),(d);*
27 *Eff. January 1, 1982;*
28 *Amended Eff. November 1, 2011; July 1, 1992; June 1, 1988; May 1, 1984;*
29 *Transferred and Recodified from 04 NCAC 02R .0902 Eff. August 1, 2015;*
30 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
31 *2015.*
32

1 14B NCAC 15A .0903 is proposed for amendment as follows:

2

3 **14B NCAC 15A .0903 DEPOSITS**

4 (a) Each local board shall designate as its official depositories one or more ~~banks, savings and loan associations~~ banks
5 or trust companies in this State.

6 (b) The amount of funds on deposit in an official depository or deposited at interest shall be secured as provided in
7 the Rules of the Local Government Commission at ~~20 NCAC 7.20~~ NCAC 7, which are incorporated herein by
8 reference, including subsequent amendments and editions.

9

10 *History Note: Authority G.S. 18B-100; 18B-207; 18B-702(t),(u);*

11 *Eff. May 1, 1984;*

12 *Transferred and Recodified from 04 NCAC 02R .0903 Eff. August 1, 2015;*

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

14 *2015.*

15

1 14B NCAC 15A .0905 is proposed for amendment as follows:

2
3 **14B NCAC 15A .0905 DAILY DEPOSITS**

4 (a) Each officer whose duty it is to collect or receive moneys of the local board shall deposit the collections and
5 receipts daily into an official ~~depository~~ ~~the collections and receipts daily~~ ~~depository~~. If the local board gives its
6 approval, deposits shall be required only when the moneys on hand are equal to or are greater than two hundred fifty
7 dollars (\$250.00), but in any event a deposit shall be made of any amount of moneys on hand on the last business day
8 of the month. ~~All deposits shall be made in an official depository~~. Deposits in an official depository shall be reported
9 to the finance officer by means of a duplicate deposit ticket.

10 (b) A change fund necessary for daily operation of an ABC store shall be established by each local board and
11 maintained in a secure place on the store's premises and shall not be subject to the daily deposit ~~rule~~ rule set forth in
12 Paragraph (a) of this Section. Each change fund shall be maintained in the amount and place established by the local
13 board.

14 (c) The finance officer may at any time audit the records maintained by any employee collecting sales revenue and
15 may prescribe the form and detail of these records.

16 (d) The Commission shall waive or alter the daily deposit requirement set forth in Paragraph (a) of this Section for
17 any local board where adequate security for the funds involved is demonstrated.

18
19 *History Note: Authority G.S. 18B-100; 18B-207; 18B-702(t),(u);*

20 *Eff. May 1, 1984;*

21 *Amended Eff. November 1, 2010;*

22 *Transferred and Recodified from 04 NCAC 02R .0905 Eff. August 1, 2015;*

23 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
24 *2015.*

1 14B NCAC 15A .0907 is proposed for amendment as follows:

2
3 **14B NCAC 15A .0907 ANNUAL INDEPENDENT FINANCIAL AUDIT**

4 (a) Each local board shall have its accounts audited after the close of each fiscal year by an independent certified
5 public accountant. The auditor shall be selected by and report to the local board. The audit contract shall be on a
6 form provided by the Commission. The audit report is due to the Commission ~~ninety~~90 days after the end of the fiscal
7 year. The financial officer shall file one unbound copy of the audit report and management letter with the Commission.

8 (b) Each officer and employee of the local board having custody of public money or responsibility for keeping records
9 of financial or fiscal affairs shall produce books and records requested by the auditor or the Commission and shall
10 divulge any information relating to fiscal affairs ~~that they request~~as requested. If any member of the local board or
11 any employee conceals, falsifies or refuses to deliver or divulge any books, records, or information with intent to
12 mislead the auditor or impede or interfere with the audit, ~~he~~that individual is subject to removal for cause pursuant to
13 G.S. 18B-203(a)(8).

14 (c) Disclosure of the distribution of profits shall include ~~every element that is applicable under~~all distributions made
15 pursuant to G.S. 18B-805 in a schedule prepared for inclusion with the annual audited financial statements. ~~In addition~~
16 ~~the~~The schedule shall be supported by a listing of each person who receives moneys from the local board, the date of
17 payment and, if applicable, the purpose for which the payment was made and restrictions on use of the payment. The
18 listing shall be so designated to provide the same totals as were used in the schedule for each type of distribution.

19
20 *History Note: Authority G.S. 18B-100; 18B-203(a)(8); 18B-207; 18B-702(s),(u);*

21 *Eff. May 1, 1984;*

22 *Amended Eff. November 1, 2010;*

23 *Transferred and Recodified from 04 NCAC 02R .0907 Eff. August 1, 2015;*

24 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
25 *2015.*

1 14B NCAC 15A .1003 is proposed for amendment as follows:

2

3 **14B NCAC 15A .1003 EMPLOYMENT AGE REQUIREMENT**

4 A person employed by a local board shall be at least 18 years of age unless waived by the ~~commission~~.Commission.

5 The Commission shall grant a waiver pursuant to this Rule subject to compliance with the conditions and limitations
6 applicable to permittees pursuant to G.S. 97-25.5(j).

7

8 *History Note: Authority G.S. 18B-100; 18B-207; 18B-302(h); 18B-807;*

9 *Eff. January 1, 1982;*

10 *Amended Eff. February 1, 1986;*

11 *Transferred and Recodified from 04 NCAC 02R .1004 Eff. August 1, 2015;*

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

13 *2015.*

14

1 14B NCAC 15A .1006 is proposed for amendment as follows:

2

3 **14B NCAC 15A .1006 PERSONNEL MANUAL**

4 (a) Each local board shall establish policies and rules governing each of the following:

5 (1) Initial employment of employees, including qualifications and requirements for new employees;

6 (2) Compensation and benefits;

7 (3) Hours and days of work, holidays, vacation, sick leave and other matters pertaining to the conditions
8 of employment;

9 (4) Promotion, transfer, demotion and suspension of employees;

10 (5) Separation or termination of employees;

11 (6) Granting of salary increases;

12 (7) Employee grievance procedures; and

13 (8) Any other programs or procedures as may be necessary to promote efficiency and to provide for a
14 fair and reasonable system of personnel administration.

15 (b) A local board ~~is encouraged to~~ may model its personnel policies and procedures after those adopted by the county
16 or municipality in which it operates.

17 (c) A local board shall not adopt a rule or policy that conflicts with the provisions of Chapter 18B or these Rules.

18

19 *History Note: Authority G.S. 18B-100; 18B-203(a)(10); 18B-207; 18B-700(g1); 18B-701(a); 18B-807;*

20 *Eff. July 1, 1992;*

21 *Transferred and Recodified from 04 NCAC 02R .1009 Eff. August 1, 2015;*

22 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
23 *2015.*

24

1 14B NCAC 15A .1101 is proposed for amendment as follows:

2

3 **SECTION .1100 - LOCAL ABC BOARDS: RELATIONSHIP WITH STATE COMMISSION**

4

5 **14B NCAC 15A .1101 COMMON INTEREST**

6 ~~It shall be the policy of the~~ The Commission ~~to shall~~ advise and consult with the local boards regarding matters of
7 common interest to the ~~alcoholic beverage~~ spirituous liquor control system.

8

9 *History Note: Authority G.S. 18B-100; 18B-207; 18B-807;*

10

Eff. January 1, 1982;

11

Amended Eff. May 1, 1984;

12

Transferred and Recodified from 04 NCAC 02R .1101 Eff. August 1, 2015;

13

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

14

2015.

15

1 14B NCAC 15A .1102 is proposed for amendment as follows:

2

3 **14B NCAC 15A .1102 LOCAL RULES**

4 (a) Submitted to Commission. A copy of all rules or amendments thereto that may be adopted by a local board to
5 govern the operation of ABC stores or the enforcement of the ABC laws shall be submitted to the Commission at least
6 ~~1530~~ days prior to the date on which it is proposed that those rules or amendments are to become effective.

7 (b) Power to Approve. In the absence of notice from the Commission ~~to the contrary,~~ to the local board within 15 days
8 of receipt of the proposed rules by the Commission that the rules are disapproved or the effective date of the rules will
9 be delayed, those rules or amendments thereto shall stand approved. Otherwise, the proposed rules or amendments
10 will become effective when and as approved by the Commission.

11

12 *History Note: Authority G.S. 18B-100; 18B-203(a)(10); 18B-207; 18B-807;*

13 *Eff. January 1, 1982;*

14 *Amended Eff. May 1, 1984;*

15 *Transferred and Recodified from 04 NCAC 02R .1102 Eff. August 1, 2015;*

16 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
17 *2015.*

18

1 14B NCAC 15A .1103 is proposed for amendment as follows:

2

3 **14B NCAC 15A .1103 COST OF AUDIT**

4 The cost of any audit or examination of records ~~conducted under authority of G.S. 18B-203(4) may be assessed to~~
5 ~~local boards being audited or examined, at the discretion of the Commission.~~required by the Commission pursuant to
6 G.S. 18B-205 shall be borne by the local board being audited or examined.

7

8 *History Note: Authority G.S. 18B-100; 18B-205; 18B-207; 18B-702(u); 18B-807;*

9 *Eff. January 1, 1982;*

10 *Transferred and Recodified from 04 NCAC 02R .1104 Eff. August 1, 2015;*

11 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
12 *2015.*

13

1 14B NCAC 15A .1203 is proposed for amendment as follows:

2
3 **14B NCAC 15A .1203 APPROVAL OF NEW STORES**

4 (a) Notice to Commission. The opening of any new ABC stores shall not be ~~approved~~considered by the Commission
5 unless at least a ~~30-day~~45-day notice is given to the Chairman as to the intended location of the store and until a public
6 notice of the intention to open such ABC store has been posted for 30 days at such location.

7 (b) Sign Requirements. In order to meet the public notice requirements of Paragraph (a) of this Rule, the local board
8 shall post at least one sign at the proposed new store site in accordance with all the following requirements:

9 (1) Dimensions of the sign shall ~~total be~~ at least ~~nine square feet;~~three feet high and three feet wide;

10 (2) The board shall state on the sign its intention to open an ABC store on the site and shall state the
11 ~~entity and its phone telephone number of the local board to provide public comments; where public~~
12 comments will be received;

13 (3) Lettering shall be at least four inches in height and background colors shall be of sufficient contrast
14 so that the notice ~~shall be legible to passersby;~~may be discerned by the viewer; and

15 (4) The sign shall be posted within 10 feet of the property line that is parallel to the public road or
16 sidewalk that will be in front of the proposed store, or if the proposed store will be in an existing
17 shopping center, the sign shall be posted on the front exterior of the existing storefront or building.
18 Lettering on the sign shall face the public road or sidewalk, or if within an existing shopping center,
19 the lettering shall face the exterior of the existing storefront or building.

20 (c) In considering whether to approve the opening of a new ABC store, in addition to determining whether the health,
21 safety or general welfare of the community would be adversely affected, the Commission shall consider the factors
22 enumerated in G.S. 18B-901(c)(3), (4), (5), (6), and (7).

23
24 *History Note: Authority G.S. 18B-100; 18B-207; 18B-801;*

25 *Eff. January 1, 1982;*

26 *Amended Eff. November 1, 2010; July 1, 1992;*

27 *Transferred and Recodified from 04 NCAC 02R .1203 Eff. August 1, 2015;*

28 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
29 *2015.*

1 14B NCAC 15A .1204 is proposed for repeal as follows:

2

3 **14B NCAC 15A .1204 NEW STORES PROHIBITED IN CERTAIN AREAS**

4 ~~New stores should not be opened in any area which is principally residential, in unreasonable proximity to any church,~~
5 ~~school or similar institution, in any slum district or other similarly undesirable area or at any location where sufficient~~
6 ~~parking facilities cannot be made available to avoid traffic congestion.~~

7

8 *History Note: Authority G.S. 18B-100; 18B-207; 18B-801;*

9 *Eff. January 1, 1982;*

10 *Transferred and Recodified from 04 NCAC 02R .1204 Eff. August 1, 2015;*

11 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
12 *2015.*

13

1 14B NCAC 15A .1301 is proposed for amendment as follows:

2
3 **SECTION .1300 - STORAGE AND DISTRIBUTION OF SPIRITUOUS LIQUORS: COMMERCIAL**
4 **TRANSPORTATION**
5

6 **14B NCAC 15A .1301 STORAGE: DELIVERIES: SECURITY**

7 (a) Storage. Private warehouse contractors performing the receipt, storage and distribution functions shall:

- 8 (1) Allocate space in the ~~Commission's~~State ABC warehouse for each item listed on the price list
9 adopted by the Commission. Space allocated shall be based on sales volume;
- 10 (2) Develop and publish a delivery schedule of spirituous liquors to all local ~~boards,~~boards based on
11 each local board's sales volume, which are subject to approval of the ~~Commission which are based~~
12 ~~on sales volume.~~Commission. Orders and shipments over the quantity on the approved schedule
13 may be made as agreed between the local boards and the ~~contractor.~~Contractor. All orders over the
14 quantity on the schedule shall be accepted when deemed economically feasible by the
15 ~~contractor.~~Contractor.
- 16 (3) Develop and publish standard operating procedures not covered by these Rules for use by the
17 ~~contractor.~~Contractor and local boards. All procedures published shall be submitted to the
18 Commission.

19 (b) Deliveries and Shipments. The processing of shipments upon receipt by the local boards shall be as follows:

- 20 (1) The ~~Contractor's~~ driver shall provide the local board representative an Off-Loading Check Sheet,
21 an Invoice Bill(s) of Lading and a Transmittal Sheet with the shipment. The Off-Loading Check
22 Sheet shall reflect the items and quantities being delivered in numerical order, and the quantities
23 shall agree with those on the Invoice Bill(s) of Lading and the Transmittal Sheet;
- 24 (2) The system used for off-loading shall be such that an accurate count of the merchandise is made and
25 all overages or shortages can be verified by the driver before any exceptions entries are made on the
26 Transmittal Sheet;
- 27 (3) If there are no overages, shortages or breakage, remittance shall be made as referenced in
28 Subparagraph (10) of this Paragraph;
- 29 (4) If there is an overage which is accepted by the local board representative, the local board
30 representative shall line through the number of cases invoiced and shall write the correct number of
31 cases on the Transmittal Sheet. The local board representative shall enter the quantity over, the stock
32 code number and an explanation in the "comments" block on the Transmittal Sheet. Upon return of
33 the Transmittal Sheet to the ~~Commission's~~State ABC warehouse, the ~~contractor.~~Contractor shall
34 issue a debit adjustment. The debit adjustment shall have the original invoice number in the
35 purchase order reference box as a cross reference. Remittance shall be made as referenced in
36 Subparagraph (10) of this Paragraph;

- 1 (5) If there is an overage that is not accepted by a local board representative, the local board
2 representative shall enter the quantity, the stock code number and an explanation in the "comments"
3 box on the Transmittal Sheet. The driver shall return the merchandise to the ~~Commission's~~State
4 ABC warehouse;
- 5 (6) If there is a shortage, the local board representative shall line through the number of cases invoiced
6 and shall write the correct number of cases on the Transmittal Sheet. The local board representative
7 shall enter the quantity under, the stock code number and an explanation in the "comments" box on
8 the Transmittal Sheet. Upon return of the Transmittal Sheet to the ~~Commission's~~State ABC
9 warehouse, the ~~contractor~~Contractor shall issue a credit adjustment. Remittance shall be made as
10 referenced in Subparagraph (10) of this Paragraph;
- 11 (7) The local board representative shall handle breakage discovered during the unloading process as a
12 shortage in shipment ~~{see in accordance with the procedure set forth in Subparagraph (6) of this~~
13 ~~Paragraph}~~Paragraph with the note in the "comments" block of the Transmittal Sheet indicating that
14 the case was returned due to breakage. If the breakage involves a case that is an overage not accepted
15 by the local board representative, the procedures in Subparagraph (5) of this Paragraph shall be
16 followed. Remittance shall be made as referenced in Subparagraph (10) of this Paragraph;
- 17 (8) If a local board's shipment includes a shrink-wrapped pallet(s), the local board shall break down the
18 pallet(s) and any overage, shortage, or breakage shall be reported to the State ABC warehouse as
19 follows:
- 20 (A) The procedures for marking the Transmittal Sheet in Subparagraphs (4), (5), (6) and (7) of
21 this Paragraph shall be followed; and
- 22 (B) The updated Transmittal Sheet shall be emailed, faxed or postmarked to the
23 ~~Commission's~~State ABC warehouse within three days of delivery of the pallet(s);
24 Remittance shall be made as referenced in Subparagraph (10) of this Paragraph;
- 25 (9) The local board representative and the driver shall sign the Transmittal Sheet(s) and the driver shall
26 return the Transmittal Sheet(s) to the ~~Commission's~~State ABC warehouse. The local board
27 representative shall receipt date stamp or sign the distiller's Invoice Bills of Lading copies and the
28 driver shall return them to the ~~Commission's~~State ABC warehouse; and
- 29 (10) The local board shall remit payment to the party listed in the "Remit to" information listed on the
30 Invoice Bill(s) of Lading which includes any Bailment Invoices or Surcharge Invoices. The local
31 board shall enter the Invoice Bill of Lading number on each check or each check stub.

32 (c) Security Measures. Security of the merchandise during the delivery process shall be as follows:

- 33 (1) The conveyances (trucks and trailers) shall be secured with a lock and serially numbered metal or
34 plastic seal by the ~~contractor~~Contractor. Each local board shall be issued a key that will unlock all
35 the locks used by the ~~contractor~~Contractor;

- 1 (2) The seal numbers will be entered on the "Seal Nos." line of the invoice transmittal sheet. Extra seals
2 shall be included in sealed envelopes for resealing the unit when shipments are destined for more
3 than one local board and for the return trip after final delivery;
- 4 (3) The local board general manager or his designated representative shall check the seal number on the
5 unit with the number on the invoice transmittal sheet upon arrival of a shipment. If the numbers
6 correspond the unit shall be unlocked by the local board's representative. If the numbers do not
7 correspond the ~~contractor~~Contractor shall be contacted for further instructions; and
- 8 (4) The local boards' general manager shall limit the accessibility of the key to three personnel and shall
9 not allow the ~~contractor's~~Contractor's driver or his assistant to remove the seal or have the key in
10 his possession at any time.

11 (d) Local boards shall not pick up merchandise from the ~~Commission's~~State ABC warehouse without prior approval
12 from the ~~Commission's~~ Administrator or ~~his~~the Administrator's designee.

13 (e) Local boards may purchase, exchange, or otherwise obtain spirituous liquor from another local board and transport
14 such beverages as necessary for the operation of its ABC stores. Payment for such transactions shall be satisfied as
15 provided by ~~04 NCAC 15A .1406.~~14B NCAC 15A .1406.

16
17 *History Note: Authority G.S. 18B-100; 18B-204; 18B-207; 18B-701(a)(1);*
18 *Eff. January 1, 1982;*
19 *Amended Eff. January 1, 2011; May 1, 1984;*
20 *Transferred and Recodified from 04 NCAC 02R .1302 Eff. August 1, 2015;*
21 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
22 *2015.*
23

1 14B NCAC 15A .1302 is proposed for amendment as follows:

2
3 **14B NCAC 15A .1302 COMMERCIAL TRANSPORTATION: PERMIT AND BOND REQUIRED**

4 (a) Any person transporting spirituous liquors into and through the State of ~~North Carolina~~ shall first give a bond of
5 ~~one thousand dollars (\$1,000)~~ as required by G.S. 18B-1115(e) and secure a blanket fleet permit for the transportation
6 of spirituous liquors signed by the ~~chairman~~ Chairman or ~~administrator of the Commission~~ Administrator. That permit
7 shall designate the spirituous liquors to be shipped.

8 (b) Driver to Possess Permit. Any person applying for and receiving this permit shall require the driver or operator
9 of any truck, tractor, or trailer to have in ~~his~~ the driver's possession a copy of ~~the permit together with the bills of~~
10 ~~lading of the spirituous liquors being transported disclosing the consignor and consignee of the spirituous liquors being~~
11 ~~transported~~ all the documents required pursuant to G.S. 18B-1115(d)(3) and (4).

12 (c) Commission to Provide Forms. Blank forms for the bond will be supplied by the Commission upon request.

13 (d) A local board owning and operating trucks for the purpose of transporting spirituous liquors from a local
14 warehouse to the various local stores within ~~ana~~ local ABC system shall not be required to give bond and shall be
15 permitted to operate its trucks without a common carrier permit.

16
17 *History Note: Authority G.S. 18B-100; 18B-207; 18B-1115;*

18 *Eff. January 1, 1982;*

19 *Amended Eff. May 1, 1984;*

20 *Transferred and Recodified from 04 NCAC 02R .1303 Eff. August 1, 2015;*

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

1 14B NCAC 15A .1304 is proposed for amendment as follows:

2
3 **14B NCAC 15A .1304 DIRECT SHIPMENTS**

4 (a) A "direct shipment" means a shipment from the distiller or a warehouse of spirituous liquors, or from an antique
5 spirituous liquor ~~seller of antique spirituous liquor, seller,~~ directly to a local board without passing through the State
6 ABC warehouse.

7 (b) Direct shipments shall be allowed by the Commission in emergency situations when the State ABC warehouse is
8 closed due to natural or other disasters or in a situation where for transportation reasons it is mutually advantageous
9 to local boards, the Commission, or the operator of the State ABC warehouse.

10 (c) Direct shipment shall have prior written approval from the Commission. Merchandise authorized to be shipped
11 by direct shipment shall be consigned by the State ABC warehouse to the distiller's account in care of the local board.
12 The local board shall acknowledge receipt of the merchandise on the shipping documents and forward them to the
13 Contractor for processing through the accounting system as though the merchandise were shipped from the State ABC
14 warehouse.

15 (d) Upon compliance with 14B NCAC 15A .1403 and obtaining a transportation permit as required by G.S. 18B-403,
16 an antique spirituous liquor seller may deliver antique spirituous liquor listed in its inventory directly to the local board
17 that placed the special order for that inventory.

18
19 *History Note: Authority G.S. 18B-100; 18B-204; 18B-207; 18B-403; 18B-701(a)(1);*

20 *Eff. January 1, 1982;*

21 *Amended Eff. January 1, 2011; May 1, 1984;*

22 *Transferred and Recodified from 04 NCAC 02R .1305 Eff. August 1, 2015;*

23 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
24 *2015;*

25 *Amended Eff. January 1, 2018.*

26

1 14B NCAC 15A .1404 is proposed for amendment as follows:

2
3 **14B NCAC 15A .1404 COMMEMORATIVE BOTTLES**

4 The Commission shall approve local boards' orders and sales of specially designed bottles commemorating particular
5 events, occasions, or ceremonies, provided advertising borne upon commemorative bottles is limited to
6 commemorating historical events of the local board and non-profit, charitable ~~enterprises (i.e., ordinary profit-oriented~~
7 ~~businesses enterprises. Other businesses, other than the distiller,~~ are not permitted to advertise themselves or their
8 products via commemorative ~~bottles.)bottles.~~

9
10 *History Note: Authority G.S. 18B-100; 18B-207; 18B-807;*
11 *Eff. January 1, 1982;*
12 *Amended Eff. November 1, 2010;*
13 *Transferred and Recodified from 04 NCAC 02R .1405 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
17

1 14B NCAC 15A .1405 is proposed for amendment as follows:

2
3 **14B NCAC 15A .1405 RECORDS REQUIRED**

4 (a) A record of all orders, receipts, invoices, and payments shall be maintained by local boards and be available for
5 inspection by any representative of the Commission at any reasonable time.

6 (b) ~~More specifically, local~~ Local boards shall retain the following records as follows: for the length of time specified
7 in this Subparagraph:

8 (1) sales report ~~(until until the annual audit completed),~~ is completed,

9 (2) warehouse report ~~(one year),~~ for one year,

10 (3) daily store report ~~(until until the annual audit completed),~~ is completed,

11 (4) stock difference report ~~(three years),~~ for three years,

12 (5) receiving report ~~(until until the annual audit completed),~~ is completed,

13 (6) clerk's daily sales and cash report ~~(until until the annual audit completed),~~ is completed, and

14 (7) paid invoices ~~(three years),~~ for three years.

15 (c) In addition, local boards shall retain the Loss and Damage Claim records and required records related to the sale
16 of mixed beverages for a period of three years.

17
18 *History Note: Authority G.S. 18B-100; 18B-203(a)(4); 18B-205; 18B-207; 18B-702(s), (u);*

19 *Eff. January 1, 1982;*

20 *Amended Eff. May 1, 1984;*

21 *Transferred and Recodified from 04 NCAC 02R .1406 Eff. August 1, 2015;*

22 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
23 *2015.*

1 14B NCAC 15A .1406 is proposed for amendment as follows:

2

3 **14B NCAC 15A .1406 PAYMENT**

4 (a) Local boards shall remit full payment of the ~~contractor's~~Contractor's statement of account pertaining to the
5 bailment fee within 30 days of receipt of the statement.

6 (b) Local boards shall remit full payment of the ~~contractor's~~Contractor's statement of account pertaining to the
7 bailment surcharge within ~~45~~30 days of receipt of the statement.

8 (c) Local boards shall remit full payment of the distiller's invoice within 30 days of delivery of the liquor.

9 (d) Local boards that obtain spirituous liquor from another local board pursuant to 14B NCAC 15A .1301(e) shall
10 remit full payment within 15 days of the transaction.

11

12 *History Note: Authority G.S. 18B-100; G.S. 18B-207; 18B-702(u);*

13 *Eff. May 1, 1984;*

14 *Amended Eff. November 1, 2010; July 1, 1992;*

15 *Transferred and Recodified from 04 NCAC 02R .1407 Eff. August 1, 2015;*

16 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22,*
17 *2015.*

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19