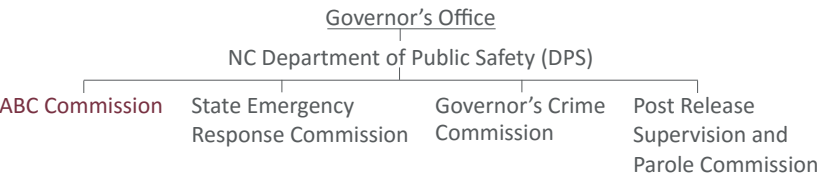


AGENCY

The **North Carolina Alcoholic Beverage Control Commission** is an independent government agency under the state Department of Public Safety (DPS). ABC Commission is responsible for permitting, warehousing and transport of liquor as well as the prosecution of administrative violations of ABC laws.



WET and DRY COUNTIES

State law allows local jurisdictions to hold public referendums and/or approve local laws or regulations on alcohol sales.

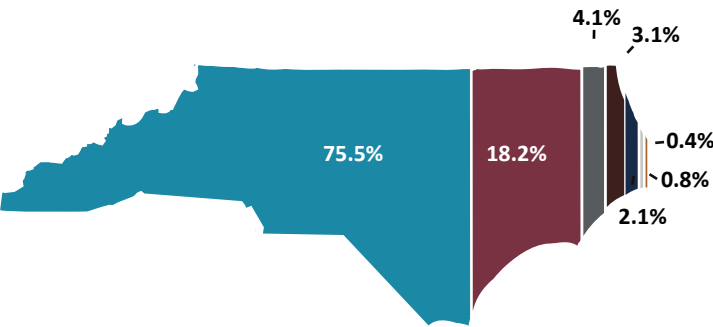
There are municipalities, portions of counties and one entire county in the state remaining dry.

Population 21 and over (Estimate) (2014) **7,100,000**

NET REVENUE

NC distributes the majority of the net revenue from the sale of spirits into **seven** categories:

- General Fund (75.5%)
- County - City Distributions (18.2%)
- NC ABC & ABC Distribution Center (4.1%)
- Local Alcohol Education (3.1%)
- Local Law Enforcement (2.1%)
- Counties - Rehabilitation (0.8%)
- Department of Health and Human Services (0.4%)



HISTORY

In 1937, the North Carolina General Assembly enacted an Alcoholic Beverage Control bill that allowed voters in each county to determine whether or not spirituous liquor should be sold at retail. Once approved by the local voters, the Act allowed for a local ABC board to operate retail stores. The Act also established a State ABC Commission to have oversight authority with respect to each local ABC Board. As a result of this Act, there are 166 active local ABC Boards in the state as of the end of FY 2016.

ENFORCEMENT

The state enforcement agency is Alcohol Law Enforcement (ALE). ALE pays special attention to possession and use of alcohol by underage persons, the sale and service to intoxicated persons and to the prevention of violent crimes due to alcohol abuse.

In FY 2016, more than 6,000 permit holders, applicants and employees were trained at The Responsible Alcohol Seller/Server Program (RASP) workshop. It is a free two-hour workshop that provided participants with the most current information on alcohol laws and covered techniques for detecting underage and intoxicated patrons.

\$1,003,349,033
FY 2016 Revenue

From 2004 through 2015, the North Carolina ABC system has generated more than \$8.6 billion dollars in revenue and distributed more than \$3 billion to state and local governments.

Figures are from 2016

DISTRIBUTION

Local ABC boards operate retail stores while the state Commission manages wholesale distribution of spirituous liquor and oversight of local ABC boards. Beer and wine is distributed by private wholesalers to retail businesses permitted by the Commission.

The NC ABC Commission doubled its warehouse space in 2011 and now operates more effectively in 400,000 square feet of space. For FY 2016, more than 5.6 million cases of liquor were received and shipped out to 166 local boards operating 425 retail outlets.

Does jurisdiction allow direct shipping of wine?



Tax per standard drink:

SPIRITS: \$0.031

WINE: \$0.106

BEER: \$0.064

OUTLETS AND GROCERY STORES

NC ABC Commission is the wholesale distributor of spirits in the state. Local governments appoint members of ABC boards; local ABC boards operated 425 stores that sell spirits at retail. Beer and wine are sold at other outlets, but liquor is exclusively sold at ABC stores.

- North Carolina does not have policies that regulate the density of off-premise outlets in a neighborhood/precinct/condensed area
- Jurisdiction does not allow the sale of spirituous liquor in convenience stores
- Servers must be 18 years old and older to serve beer at on-premise outlets, and employees at off-premise outlets must be at least 16 with supervision of someone who is at least 18 to sell beer
- The sale of beer and wine are permitted in grocery stores
- Sunday sales after noon are allowed
- Keg registration is required
- For every 100,000 residents ages 21 and older, there are 6.0 spirits outlets
- Beverage service training is voluntary in the state

NORTH CAROLINA ABC COMMISSION IN ACTION



- North Carolina's Initiative to Reduce Underage Drinking is spearheaded by the Commission and includes:
 - A review of current and future legislation related to underage drinking
 - Tightening enforcement of existing laws for businesses that sell to underage persons
 - A sustained awareness campaign to change the culture of underage drinking called Talk It Out – www.talkitoutnc.org.
- According to the Pacific Institute for Research and Evaluation, underage drinking costs North Carolina \$1.3 billion annually. Industry data indicates that an average of two people die weekly in NC due to underage consumption of alcohol.

DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2016 Survey Database, State Alcohol Tax Rates (July 2016), Educational Awards Program Reports for 2014-2015, North Carolina Alcoholic Beverage Control Commission, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)