## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2001

H HOUSE BILL 1718

Sponsors: Representatives Harrington; and C. Wilson.

Short Title: Authorize Interstate ABC Shipment.

Referred to: Finance.

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June 13, 2002

(Public)

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE LIMITED RECIPROCAL INTERSTATE SHIPMENT AND RECEIPT OF UNFORTIFIED WINE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 18B-102.1(a) reads as rewritten:

"(a) <u>It-Except as provided in G.S. 18B-109, it is unlawful for any person who is an out-of-state retail or wholesale dealer in the business of selling alcoholic beverages to ship or cause to be shipped any alcoholic beverage directly to any North Carolina resident who does not hold a valid wholesaler's permit under Article 11 of this Chapter."</u>

**SECTION 2.** G.S. 18B-109 reads as rewritten:

## "§ 18B-109. Direct shipment of alcoholic beverages into State.

- (a) General Prohibition. No person shall have any alcoholic beverage mailed or shipped to him from outside this State unless he has the appropriate ABC permit.
- (b) Armed Forces Installation. No person shall have malt beverages or unfortified wine shipped directly from a point outside this State to an armed forces installation within this State if those alcoholic beverages are for resale on the installation.
- (c) Permit Required for Personal Use. Any person desiring to purchase for personal use any alcoholic beverages outside of this State for delivery into this State shall first secure a purchase-importation permit from the Commission. The permit will allow alcoholic beverages to be consigned to the purchaser in care of an ABC store operated by the local board for the jurisdiction in which the purchaser resides. If there is no ABC store within the jurisdiction, the purchaser shall designate the nearest and most convenient ABC store. A written application for a purchase-importation permit shall be submitted by the purchaser in a form specified by the Commission. The application shall include the name, address, and telephone number of the purchaser and the address of the ABC store to which the alcoholic beverages will be shipped. The purchase-importation permit is valid for one year and authorizes the holder to purchase and authorizes the shipper to transport specified amounts of alcoholic beverages subject to

the limitations in subdivision (f)(1) of this section. The Commission may adopt rules to govern issuance of these purchase-importation permits.

- (d) Authorized Shipments. The holder of a purchase-importation permit is authorized to make arrangements for the shipment of unfortified wine to a designated ABC store. The alcoholic beverages shall be ordered and paid for by the purchaser, including prepaid freight charges. Before accepting an order for shipment into this State, the out-of-state retailer or wholesaler shall require that the order be in written form and accompanied by a copy of the purchase-importation permit issued to the purchaser pursuant to this section. A copy of the purchase-importation permit shall accompany the shipment to the designated ABC store. The shipment of alcoholic beverages shall bear the name of the purchaser and the address of the designated ABC store in the manner specified by the Commission for shipments authorized pursuant to this section.
- (e) Payment of Applicable Taxes. Any person purchasing alcoholic beverages for delivery into this State shall pay any taxes that would be payable on the product if purchased in this State. When shipments authorized under this section arrive at the designated ABC store, the local board will contact the purchaser, make arrangements for pick up, and compute the North Carolina taxes to be collected. The purchase price as set out on the purchase invoice or other proof of purchase shall be used to determine the amount of taxes owed. The purchaser will provide the local board with a cashier's check payable to the local board for the applicable taxes, at which time the merchandise will be released.

## <u>(f)</u> <u>Limitations. –</u>

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- (1) Any resident of this State who is at least 21 years of age may apply for a purchase-transportation permit. The permit entitles the person to receive an approved shipment of unfortified wine from another state if the wine is for personal or household use and if the state from which the wine is sent allows its residents to receive wine shipments from this State. No person may receive any shipment or combination of shipments in excess of 60 cases of wine in any calendar year. No person who receives wine pursuant to this section shall resell any of the wine.
- (2) The shipping container of any wine sent into this State under this section must be clearly labeled to indicate that the container contains alcoholic beverages and cannot be delivered to a person who is not at least 21 years of age."
- **SECTION 3.** G.S. 18B-902 is amended by adding a new subdivision to read: "(34) Purchase-Importation permit fifty dollars (\$50.00)."
- **SECTION 4.** This act is effective when it becomes law.