14B NCAC 15C .0708 is readopted as published in 41:02 NCR 194-195 as follows:

14B NCAC 15C .0708 CONSIGNMENT SALES: CONDITIONAL SALES: RETURNS

(a) Consignment Sales Prohibited. ~~No~~ An industry member shall not sell, offer for sale, or contract to sell to ~~any~~ a retail permittee, ~~nor shall any retail permittee~~ and a retail permittee shall not purchase, offer to purchase, or contract to purchase from ~~any~~ an industry ~~member any~~ member, alcoholic beverages on ~~consignment or~~ consignment, under conditional sale, ~~or~~ with the privilege of return, or on ~~any~~ a basis other than a bona fide cash sale. For the purposes of this Rule, a consignment sale is ~~any~~ a transaction ~~in which~~ where title to the merchandise is not transferred at the time of shipment or delivery and ~~which~~ does not involve ~~some form of~~ full cash settlement. ~~No~~ An industry member shall not contract or agree with a retailer to retain title to alcoholic beverages until those products are ~~sold.~~sold by the retailer.

(b) Privilege of Return. ~~No~~ An industry member and a retailer shall not enter into ~~any~~ an agreement ~~whereby~~ where the retailer has an ~~expressed~~ express or implied right to return alcoholic beverages ~~that he~~ the retailer cannot sell. ~~Any~~ An industry member's acceptance of returned merchandise is ~~considered~~ a strong indication that the "privilege of return" existed at the time of ~~sale,~~sale. ~~and a repeated practice of accepting returned merchandise from a retailer would establish an implied privilege of return, even though no formal agreement has been made.~~

(c) Sales Conditioned on the Acquisition of Other Merchandise. ~~No~~ An industry member shall ~~make any~~ not enter an agreement with ~~any~~ a retailer ~~with terms that~~ to allow the industry member to remove the retailer's inventory if conditioned upon present or future sales. The exchange of alcoholic beverages for equal quantities of the same type and brand in containers of another size and style is not considered an acquisition of "other" alcoholic beverages ~~and, therefore,~~ and is not prohibited ~~where~~ when the return is ~~otherwise permissible.~~authorized.

(d) Exceptions. This Rule does not apply to the following transactions:

(1) returns of malt beverages or wine for ordinary and usual commercial ~~reasons~~ reasons, as defined in 27 CFR 11.32 through 11.39 and available for free at https://www.ecfr.gov/current/title-27/chapter-I/subchapter-A/part-11/subpart-D, arising after the alcoholic beverages have been sold, ~~such as~~ including mutilated or damaged labels or containers, ~~error in delivery,~~ delivery error, product deterioration, ~~products have been deemed unsafe by~~ a declaration by State or federal ~~authorities,~~authorities that the product is unsafe, ~~the~~ product approval has been withdrawn ~~as referenced by~~ pursuant to 14B NCAC 15C .0201 and .0202, or a bona fide discontinuance of the retailer's business;

(2) exchanges of malt beverage products for equal quantities of the same brand and ~~type, so long as~~ type if the manufacturer's code date on the products will expire within 30 calendar days of the date of ~~exchange, and the~~ exchange. The quantity exchanged ~~does~~ shall not exceed 50 cases of each brand per ~~30 day~~ 30-day period per retail permittee. For the purposes of this Rule, the term "exchange" means to replace product for product and does not authorize the wholesaler to accept returned malt beverage products for cash or credit; ~~and~~

(3) returns of wine or malt beverage products from a seasonal retailer who is open only a portion of the year if the products ~~are likely to~~ may spoil during the off-season. For purposes of this Rule, a "seasonal retailer" is defined as one that closes its business completely for a period of at least eight weeks during the summer or winter months. Returns from a seasonal retailer may be for cash or ~~credit.~~credit; and

(4) exchanges of malt beverages seasonal in nature may be exchanged for freshness reasons if all the following conditions are met:

(A) the industry member has policies and procedures in place that specify the date the retailer must pull the product;

(B) the industry member's freshness exchange policies and procedures are verifiable and followed by the industry member;

(C) the malt beverage container has identifying markings that correspond with the date in Part (B);

(D) the malt beverage product pulled by the retailer does not reenter the retail marketplace.

Note: The return or exchange of wine products is governed by this Rule and the regulations ~~under the Federal Alcohol Administration Act found in Title 27 of the United States Code of Federal Regulations, Part 11 (27 CFR Sec. 11.1 through 11.46), and~~ pursuant to Part 11 of 27 CFR, and nothing in these Rules shall be construed to authorize the return or exchange of wine products if the transaction is prohibited by federal law.

History Note: *Authority G.S. 18B-100; 18B-207; ~~18B-1116;~~ 27 CFR Part 11*
Eff. January 1, 1982;
Amended Eff. April 1, 2011; July 1, 1992; May 1, 1984;
Transferred and Recodified from 04 NCAC 02T .0709 Eff. August 1, 2015;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.
Readopted Eff. December 1, 2026.

14B NCAC 15C .0715 is readopted as published in 41:02 NCR 195-196 as follows:

14B NCAC 15C .0715 CONDITIONS WHEN COMMISSION APPROVAL REQUIRED FOR PROMOTIONS

(a) Prior Approval Required; Exceptions. ~~An alcoholic beverage (which includes malt beverages, wines and spirituous liquors)~~ A malt beverage, wine, or spirituous liquor industry member shall obtain written approval from the Commission prior to entering into ~~any~~ an agreement to ~~engage in activities as a~~ sponsor ~~for any~~ a promotion, as ~~that term is~~ defined in 14B NCAC 15C ~~.0701(3), unless the activity involves the following:~~ .0701(3). Industry members are not required to obtain prior written approval for the following:

(1) sponsorships of nonprofit organizations that are not special one-time permittees, and the sponsored activity is ~~neither~~ not held on the premises of a retailer ~~nor~~ and is not cosponsored by a retailer;

(2) printing and distribution of items that are classified as point-of-sale advertising material, consumer specialty items, retailer specialty ~~items~~ items, or novelty ~~items, so long as the items are~~ items if displayed and distributed in compliance with 14B NCAC 15B .1006, 14B NCAC 15C .0709(c)(6)~~(B)~~ and 14B NCAC 15C .0711;

(3) promotions that occur on an annual or regular basis and ~~that~~ have received written approval by the Commission within five years prior ~~in a previous years,so long as~~ if the sponsorship activities ~~engaged in by~~ of the industry member have not changed; and

(4) sponsorships of individual amateur sports teams, when:

(A) the services or things of value provided by the industry member are given to benefit the individual team and its members;

(B) the team is not comprised of retailers or employees of retailers; and

(C) the team is not jointly sponsored by a retailer.

(b) The Commission shall approve a promotion if:

(1) the procedure for approval is complied with as required by Paragraph (c) of this Rule;

(2) the information provided as required by Paragraph (c) of this Rule is accurate; and

(3) the event ~~promotion~~ is a bona fide ~~promotional event.~~promotion.

(c) Procedure for Approval. To receive consideration for approval by the Commission for a promotional activity, an industry member shall ~~comply with the following procedures:~~submit the following to legal@abc.nc.gov:

(1) ~~submit~~ a completed Industry Promotion Approval ~~form;~~form found for free at https://www.abc.nc.gov/ legal/laws-rules-and-resources including the following information:

(A) the industry member's name, address, contact person, email address, and telephone number;

(B) the name of event or promotion, the dates and times of the event, the business name of the location of the event, the location address and county, the web address of the event or venue, and whether the location holds retail permits;

(C) the name of the sponsored organization, the contact person for the organization and their telephone number or email address;

(D) whether the sponsored organization is a nonprofit, whether the nonprofit will be obtaining a Special One-Time permit, whether alcoholic beverages will be sold or given away, and whether tickets will be sold;

(E) which organization will maintain possession and control of the alcoholic beverages; and

(F) what the industry member will provide, donate, or sell to the event organization.

(2) ~~submit~~ copies of broadcast and print advertisements; and

(3) ~~submit~~ samples of advertising pieces and costs of items.

(d) Notification to Wholesaler. A malt beverage or wine manufacturer, ~~importer~~ importer, or nonresident vendor ~~of beer or wine~~ that receives approval for promotional activity under this Rule shall provide a copy of the Commission's approval to each of its wholesalers in this ~~state~~ State if that wholesaler ~~is or~~ will be participating in the promotion ~~in any manner,~~ including the distribution of promotional materials.

(e) Approvals Restricted to Industry Members. ~~No~~ Industry member approval for ~~any~~ a promotional activity ~~by an industry member~~ shall not be granted to a special one-time permittee, retailer, advertising agency, ~~broadcaster~~ broadcaster, or publisher.

(f) Approvals Granted Only Upon Written Request. The Commission shall not approve ~~any~~ verbal requests or hypothetical fact presentations describing promotional activities requiring prior written approval under this Rule.

(g) Timing of Requests. Industry members shall submit promotions for approval to legal@abc.nc.gov at least ~~two months~~ three weeks in advance of the promotion to allow adequate review by the ~~Commission, and to allow for the mailing of written approvals to the industry member.~~Commission.

(h) Promotion Agreements Restricted. Commission approval of a promotion under this Rule shall not be construed as approval for the industry member to enter into ~~any~~ an agreement, either express or implied, that its products will be sold or distributed by a retailer or special one-time permittee to the exclusion, in whole or in part, of other brands of alcoholic beverages offered by competitors.

History Note: *Authority G.S. 18B-100; 18B-105; 18B-207; ~~18B-1116;~~*
Eff. July 1, 1992;
Amended Eff. April 1, 2011;
Transferred and Recodified from 04 NCAC 02T .0717 Eff. August 1, 2015;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.
Readopted Eff. December 1, 2026.

14B NCAC 15C .1301 is readopted with changes as published in 41:02 NCR 196 as follows:

SECTION .1300 – SPIRITUOUS LIQUOR TASTING SPECIAL EVENT PERMITS

14B NCAC 15C .1301 DEFINITIONS

As used in G.S. 18B-1114.7 and in this Section:

(1) "Advertising specialties" means items such as coasters, shot glasses, bottle or can openers, cork screws, ash trays, shopping bags, individual can coolers, hats, caps, visors, t-shirts (without collars or buttons), and key chains.

(2) "~~Charitable,~~ Charitable nonprofit organization" means ~~a nonprofit organization that is a charitable organization~~ the same as defined in G.S. 1-539.11(1).

(3) "Consumer ~~tasting event~~"tasting" means ~~any time~~ a single spirituous liquor special event where a spirituous liquor special event permittee provides samples of spirituous liquor to a consumer ~~in an ABC store~~ pursuant to G.S. ~~18B-1114.7(c).~~18B-1114.7(b) and (c).

(4) "Local ~~fund raiser~~"fundraiser" means a special event sponsored or cosponsored by a local government, a local ~~charitable,~~ charitable nonprofit organization, or a local political organization for the purpose of raising funds for a governmental, charitable, or political purpose.

(5) "Permit holder's authorized agent" means an individual authorized in writing by the spirituous liquor special event permittee to conduct a consumer tasting ~~or consumer tasting event~~ pursuant to the permittee's spirituous liquor special event permit. The ~~individual~~ authorized agent shall be responsible for ~~the management on~~ the site of the consumer tasting ~~or consumer tasting event,~~ and the supervision of the permittee's or agent's employees or independent contractors ~~offering or pouring~~ providing ~~tasting~~ samples at the consumer ~~tasting or consumer tasting event.~~tasting.

(6) "Point-of-sale advertising materials" means advertising that is located where the spirituous liquor product is displayed or sampled. Advertising materials may include signs, posters, banners, and decorations that bear product advertising matter. Point-of-sale advertising materials as used in this Section shall not include items listed in 14B NCAC 15C .0711(c).

(7) "Special event" means either:

(a) ~~an event the spirituous liquor special event permittee participates in that is~~ a trade show, convention, street festival, holiday festival, agricultural festival, balloon race, local fund-~~raisers, or other similar events~~ raiser, or similar event approved pursuant to ~~Rule .1302 of this Section,~~14B NCAC 15C .1302 that is for a ~~limited~~ duration of no more than 10 days and is organized or sponsored by a person other than the spirituous liquor special event permittee; or

(b) an event ~~of limited duration~~ of no more than 60 days at a shopping mall that is organized and sponsored by the shopping ~~mall~~ mall, or an association of shopping mall ~~merchants~~ merchants, as part of a promotion or sale for all merchants in the shopping mall.

History Note: *Authority G.S. 18B-100; 18B-207; ~~18B-1114.7;~~*
Eff. April 1, 2019;
Amended Eff. November 1, 2020.
Readopted Eff. December 1, 2026.

14B NCAC 15C .1302 is readopted as published in 41:02 NCR 196-197 as follows:

14B NCAC 15C .1302 OTHER SIMILAR EVENTS APPROVAL

(a) For ~~other~~ events not specifically listed in G.S. 18B-1114.7, the holder of a spirituous liquor special event permit ~~issued pursuant to G.S. 18B-1114.7~~ shall obtain approval of ~~that other similar~~ the event from the Commission prior to the permit holder participating in the event. The Commission's approval of ~~other~~ events ~~under~~ pursuant to this Rule shall be in writing.

(b) The holder of the permit shall submit a written application for approval to the Commission at permits@abc.nc.gov no less than seven business days prior to the starting date of the event. The Special Event Approval Request Form, ~~application,~~ available for free on the Commission's website, at https://www.abc.nc.gov/permit-forms, includes:

(1) the permit holder's name, business name, spirituous liquor special event permit number, email address, and telephone and fax numbers;

(2) the name, dates, time, location, address, and county of the event; and

~~(3) whether an admission fee will be charged of the attendees by the event sponsor;~~

~~(4)~~(3) the event sponsor's ~~name, address, contact information, event or sponsor's social media link or webpage, and whether the event sponsor is a non-profit organization;~~name and website.

~~(5) whether the event sponsor holds a special one-time ABC permit pursuant to G.S. 18B-1002(a)(2) or (5) and whether alcohol will otherwise be sold or given away at the event; and~~

~~(6) the names of other co-sponsors, supporters, vendors, or exhibitors who are expected to participate in the event, and whether those persons hold ABC permits.~~

(c) The Commission shall not approve events sponsored exclusively by the holder of the permit. Tastings of spirituous liquor shall not be allowed pursuant to a spirituous liquor special event permit on the premises of a retail ~~permittee or an ABC store.~~permittee.

History Note: *Authority G.S. 18B-100; 18B-207; 18B-1114.7;*
Eff. April 1, 2019.
Readopted Eff. December 1, 2026.

14B NCAC 15C .1303 is readopted as published in 41:02 NCR 197 as follows:

14B NCAC 15C .1303 TASTINGS HELD FOR CONSUMERS

(a) ~~If a tasting is conducted pursuant to this Section at an event where~~ When the event sponsor holds an ABC permit for ~~thatevent,~~an event pursuant to this Section, the area for conducting the tasting shall be limited to the area of the event covered by the ABC permit. ~~If the tasting is conducted pursuant to this Section at an event where~~ When the event sponsor does not hold an ABC permit, the area for conducting the tasting shall be limited to the area allocated or assigned by the event sponsor for the exclusive use of the spirituous liquor special event permittee ~~conducting the tasting.~~during the event.

(b) ~~Each~~ A permittee conducting a tasting may give ~~each~~ a consumer tasting samples up to the limits set forth in G.S. ~~18B-1114.7(b)(3) or (c)(4), as applicable.~~18B-1114.7.

(c) A spirituous liquor special event permittee shall ensure that ~~any~~ an employee or agent of the permittee ~~who will be~~ conducting or supervising ~~any~~ a tasting ~~conducted~~ pursuant to a spirituous liquor special event permit has completed training ~~that includes:~~including:

(1) identification of potential underage consumers;

(2) recognition of fictitious identification;

(3) identification of consumers who are ~~visibly~~ intoxicated;

(4) service of correct sample sizes; and

(5) methods to ensure compliance with G.S. ~~18B-1114.7 in accordance with Rule .1304 of this Section.~~18B-1114.7.

(d) The permittee, the permittee's agent, or the permittee's employee shall not be in the area for conducting the tasting after consuming alcoholic beverages except under the following conditions:

(1) the permittee, agent, or employee is off duty for the remainder of that day or night during which the individual consumes ~~any~~ an alcoholic beverage;

(2) the permittee, agent, or employee is out of uniform when uniforms are required to be worn while performing ~~any on duty~~ services; and

(3) the permittee, agent, or employee shall not perform ~~any~~ services related to the business of the permit while or after consuming alcoholic beverages.

~~(e) Spirituous liquor provided for tastings pursuant to a spirituous liquor special event permit shall not be mixed with any other alcoholic or non-alcoholic beverage.No non-alcoholic beverages, other than unflavored water, shall be made available or accessible to the consumer by the permittee in the area for conducting the tasting.~~permittee.

History Note: *Authority G.S. 18B-100; 18B-207; 18B-1114.7;*
Eff. April 1, 2019;
Amended Eff. November 1, 2020.
Readopted Eff. December 1, 2026.

14B NCAC 15C .1304 is readopted as published in 41:02 NCR 197 as follows:

14B NCAC 15C .1304 SPECIAL EVENT COMPLIANCE PROCEDURE

(a) Either the spirituous liquor special event permittee ~~to whom the spirituous liquor special event permit was issued,~~ or ~~the permit holder's~~ their authorized ~~agent,~~ agent must be present in the tasting area ~~where~~ while the tasting is ~~conducted at the time the tasting occurs.~~conducted. A copy of the spirituous liquor special event permit shall be on display in the tasting ~~area where the tasting is conducted.~~area. A copy of the agent's authority ~~of the permit holder's authorized agent~~ to act on behalf of the permittee shall be present at the tasting event. A copy of the spirituous liquor special event permit and a copy of the agent's authority ~~of the permit holder's authorized agent to act on behalf of the permittee~~ shall be made available to law enforcement ~~agents~~ upon request.

(b) For ~~other~~ special events approved by the Commission pursuant to ~~Rule .1302 of this Section,~~14B NCAC 15C .1302, a copy of the Commission's approval shall be kept at the tasting for the duration of the tasting and shall be made available to law enforcement ~~agents~~ upon request.

(c) A spirituous liquor special event permit holder shall maintain a written procedure ~~establishing the method to be used by the permit holder and the permit holder's employees or agents~~ to ensure compliance with the requirements of G.S. ~~18B-1114.7(b)(3), (4), and (5), and (c)(4).~~18B-1114.7. A copy of the written procedure shall be available at the tasting to the permit holder's employees and ~~designated~~ authorized agents and shall be made available ~~at the tasting~~ to law enforcement ~~agents~~ upon request.

(d) A copy of the written procedure required pursuant to Paragraph (c) of this Rule shall be:

(1) maintained for one year following the tasting;

(2) included as part of the consumer tasting record maintained in accordance with G.S. 18B-1114.7(b)(10); and

(3) made available upon request to the Commission and law enforcement ~~agents~~ pursuant to G.S. 18B-502.

History Note: *Authority G.S. 18B-100; 18B-201; ~~18B-1114.7;~~*
Eff. April 1, 2019;
Amended Eff. November 1, 2020.
Readopted Eff. December 1, 2026.

14B NCAC 15C .1306 is readopted as published in 41:02 NCR 197-198 as follows:

14B NCAC 15C .1306 SPECIAL EVENT PARTICIPATION LIMITATIONS

(a) For special events in shopping malls, the spirituous liquor special event permittee shall not participate in ~~any~~ a single mall more than 10 total days ~~cumulatively~~ in ~~any~~ a three-month period.

(b) A spirituous liquor special event permittee shall not participate more than 10 total days ~~cumulatively~~ during a three-month period in a special event sponsored or arranged by the same person or business.

(c) A spirituous liquor special event permittee shall not participate in a special event for which the permittee was the only spirituous liquor special event permittee invited or allowed to participate in the special event.

History Note: *Authority G.S. 18B-100; 18B-207; ~~18B-1114.7; 18B-1116;~~*
Eff. April 1, 2019.
Readopted Eff. December 1, 2026.

14B NCAC 15C .1307 is readopted as published in 41:02 NCR 198 as follows:

14B NCAC 15C .1307 ABC STORE SPIRITUOUS LIQUOR TASTINGS

(a) Local boards shall determine whether to allow tastings ~~to be conducted~~ in ~~any of~~ at their ABC stores. The local board shall determine the ABC store, date, and times for ~~any tastings~~ authorized tastings. ~~by the local board shall be set by the local board. Tastings are~~ The local board is not required to ~~be conducted~~ authorize tastings every week or in all ABC stores operated by the local board. The local board is not required to set the same schedule ~~schedule set by the local board for tastings may vary~~ from week to week.

(b) ~~If~~ When a local board authorizes consumer ~~tasting events to be held~~ tastings in a specific ABC store, the local board shall process written requests to conduct a consumer tasting ~~event at that ABC store at a specific date and time established by the local board shall be processed~~ on a first-come, first-served basis. A local board may require a permittee to include a signed agreement to comply with local board ~~conditions~~ conditions.~~as a part of a written request for permission to conduct a consumer tasting event pursuant to G.S. 18B-1114.7(c)(10).~~

(c) Notwithstanding Paragraph (b) of this Rule, ~~once permission has been granted to conduct a consumer tasting event at a specific date and time, this permission shall be subject to the permission being~~ a local board's permission may be withdrawn ~~for that ABC store~~ not later than 30 days prior to ~~the scheduled time of~~ the ~~event,~~ event upon ~~the~~ receipt of a request from another permittee ~~that~~ that, within the previous 12-month period, has conducted fewer consumer tasting events ~~in the ABC store within a previous 12 month period~~ than the permittee ~~originally~~ already granted permission. The local board shall provide the original permittee with a written explanation of why permission has been withdrawn.~~A superseding request for the same date and time must be received in writing and submitted to by the local board before the close of business on the last business day prior to 35 days prior to the previously approved request date. Prior to accepting a request to preempt a previously approved request date and time, the local board shall provide to the superseding requestor a schedule of other available dates and times for consumer tasting events in lieu of the requested date.~~ If ~~the alternative dates and times are not acceptable to the superseding requestor, the original permission to the first shall be withdrawn, and the date and time shall be assigned to the superseding requestor. A local board that withdraws permission to conduct a consumer tasting event shall provide the permittee originally granted permission with a written explanation of the reason for the withdrawal and the process for requesting a rescheduling of the consumer tasting event.~~

(d) If a permittee conducts a consumer tasting in violation of G.S. 18B-1114.7, the ~~The~~ local board may deny permission for a permittee ~~the right~~ to conduct future consumer tasting events for a period of up to one year from the date of the ~~violation upon a determination by the local board that the permittee conducted a consumer tasting event in violation of G.S. 18B-1114.7(c)(10).~~violation.

(e) In addition to the requirements ~~set forth~~ in G.S. 18B-1114.7(c)(7), a permit holder shall include ~~with the notice~~ a copy of the local board's written approval for the ~~permit holder~~ permittee to conduct a consumer ~~tasting~~tasting. ~~event at a specific time and location.Written approval by the local board may be by email. For purposes of G.S. 18B-1114.7(c)(7)c., the list shall include the product codes of the specific spirituous liquor products available for tasting.~~

(f) ~~Proof of purchase of spirituous liquor from any ABC store shall be by receipts issued by an ABC store.~~ Permittees shall maintain receipts of purchases of spirituous liquor used in tastings for a period of six months from the date the spirituous liquor is first used for tastings pursuant to G.S. 18B-1114.7. Spirituous liquor purchased from an ABC store for use in tastings ~~conducted in accordance with this Section~~ may be used for multiple tastings at multiple locations.

(g) At the ~~time of the~~ completion of a tasting, the permittee shall submit to the local board in writing the name of the permittee that conducted the consumer tasting event, the names of all employees or agents of the permittee who were present at the tasting, and the name of each product available for tasting at the consumer tasting event. A local board that authorizes consumer tasting events shall maintain for a period of three years a list of all consumer tasting events conducted in each of its stores sorted by ~~date, name of the permittee that conducted the consumer tasting event, name of all employees or agents of the permittee who were present at the tasting, and name of each product available for tasting at the consumer tasting event.~~date.

(h) A local board that authorizes consumer tasting events shall maintain for a period of three years the following records by ~~types of permittees:~~permittee:

(1) written requests for permission to conduct tastings;

(2) permissions granted to conduct tastings;

(3) denials of request for permission to conduct tastings; and

(4) withdrawal of permissions to conduct tastings.

A local board shall make these records available to the Commission upon request.

History Note: *Authority G.S. 18B-100; 18B-207; ~~18B-1114.7;~~18B-1114.7(c)(8);*
Eff. November 1, 2020.
Readopted Eff. December 1, 2026.