

§ 18B-1105. Authorization of distillery permit.

- (a) The holder of a distillery permit may do any of the following:
- (1) Manufacture, purchase, import, possess and transport ingredients and equipment used in the distillation or production of spirituous liquor. The authorization to possess ingredients set forth in this subdivision includes the possession of spirituous liquor not distilled or produced at the distillery that is used for the production, research and development, or sample comparison of spirituous liquor.
 - (2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to (i) exporters and local boards within the State, and, (ii) subject to the laws of other jurisdictions, at wholesale or retail to consumers in other states or nations, or private or public agencies or establishments of other states or nations, except that the holder of a distillery permit may not sell, deliver, or ship spirituous liquor at retail to consumers in jurisdictions that require reciprocity in order to allow such sales, deliveries, or shipments.
 - (3) Transport into or out of the distillery the maximum amount of liquor allowed under federal law, if the transportation is related to the distilling process.
 - (4) Sell spirituous liquor distilled or produced at the distillery in closed containers to visitors who tour the distillery for consumption off the premises. The length, content, and other parameters of the tour shall be at the discretion of the distillery, and the distillery shall not be required to maintain records related to tours. Sales under this subdivision are allowed only in a county where the establishment of a county or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and may occur between the hours of 9:00 A.M. and 9:00 P.M. on Monday through Saturday of each week, from 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M. to 9:00 P.M. on each of the following holidays that do not fall on a Sunday: New Year's Day, Fourth of July, Labor Day, and Thanksgiving Day. Spirituous liquor sold under this subdivision shall (i) be listed as a code item for sale in the State, (ii) be sold at the price set by the Commission for the code item pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle any labeling requirements set by law. A bottle of spirituous liquor sold under this subdivision may have personalized labeling. The personalized labeling shall comply with any other labeling requirements set by law. The personalized labeling shall not cover any portion of the manufacturer's original label. For purposes of this subdivision, the term "personalized labeling" means the inclusion of any of the following on the label:
 - a. The name of the purchaser of the bottle or the name of any individual, business entity, or club on whose behalf the bottle is purchased.
 - b. "Bottled for," "distilled for," "in honor of," or other similar language.
 - c. Dates, locations, occasions, and other similar information.
- (4a) In an area where the sale of mixed beverages is authorized by law, sell mixed beverages for consumption on the premises. If a distillery elects to sell mixed beverages containing spirituous liquor other than that produced at the distillery, the distillery shall obtain a mixed beverages permit pursuant to G.S. 18B-1001.
- (4b) If the distillery is located on a property used for bona fide farm purposes, as defined in G.S. 160D-102(3), sell mixed beverages containing only spirituous liquor produced at the distillery for consumption on the premises regardless of the results of any local mixed beverage election.

- (4c) In an area where the sale of mixed beverages has not been approved by a local election, sell mixed beverages containing only spirituous liquor produced at the distillery for consumption on the premises upon obtaining a mixed beverages permit under G.S. 18B-1001.
- (5) Conduct consumer tastings, sell mixed beverages, and provide spirituous liquor in closed containers in accordance with G.S. 18B-1114.7.
- (6) Sell malt beverages, unfortified wine, and fortified wine, for consumption on the premises upon obtaining the appropriate permit under G.S. 18B-1001.

(b) Distilleries for Fuel Alcohol. – Any person in possession of a Federal Operating Permit pursuant to Title 27, Code of Federal Regulations, Part 19 (April 1, 2010 Edition), shall obtain a fuel alcohol permit before manufacturing any alcohol. The permit shall entitle the permittee to perform only those acts allowed by the Federal Operating Permit, and all conditions of the Federal Operating Permit shall apply to the State permit.

(c) Tax Compliance. – By October 1 of each year, the Commission shall confirm the holder of a distillery permit is in compliance with G.S. 18B-900(a)(8). The provisions of G.S. 18B-900(f) apply to the confirmation required under this subsection, except that the Commission may suspend a person's distillery permit until the Commission receives notice from the Department of Revenue that the person is in compliance.

(d) Control of Location of Sale and Consumption on Premises. – Notwithstanding G.S. 18B-301(e), except as otherwise prohibited by federal law or the holder of the distillery permit, an alcoholic beverage authorized to be sold or consumed under this section may be sold, possessed, or consumed on any part of the licensed premises of the distillery that is open to the public. This subsection shall not be construed to allow spirituous liquor in closed containers sold for off-premises consumption to be consumed at the distillery. (1979, 2nd Sess., c. 1329, s. 1; 1981, c. 412, s. 2; 1989, c. 800, s. 5; 2012-201, s. 10; 2015-98, s. 4(a); 2015-262, s. 3(a); 2017-87, ss. 1(a), 16(b); 2019-182, ss. 1(b), 2, 4(a); 2021-117, ss. 12(c), 12(d); 2021-150, ss. 2.2, 6.1(a), 6.2(h), 8.1, 9.1(a), 9.3(a), 18.1; 2022-44, s. 8; 2022-51, ss. 2, 6.)