

14B NCAC 15A .1603 REQUIREMENTS FOR STORAGE

All privately-owned bonded warehouses holding permits for the storage of spirituous liquors are required to:

- (1) store all liquor separate and apart from other merchandise;
- (2) store all military codes separate and apart from State codes;
- (3) store all liquor of the same code together and spaced evenly for inventory purposes;
- (4) submit to the Commission monthly reports of all spirituous liquors received and delivered so that a perpetual inventory may be kept at the Commission. The report must match the inventory at the bonded warehouse at all times and upon inspection;
- (5) take at their expense, and submit to the Commission, at least once every 12 months inventories of all spirituous liquors being held in the bonded warehouse. These inventories may be observed by representatives of the Commission or the State Auditor's Office;
- (6) return to the distiller all liquor that is distressed when received within 30 days of its receipt;
- (7) destroy all liquor that becomes distressed after it is received, after notifying the distiller and obtaining in writing the distiller's approval to destroy the distressed liquor. The distiller, or a representative of the distiller, shall be given an opportunity to:
 - (a) be present in person or by video conference at the destruction; or
 - (b) request proof of destruction by photographs or video recordings showing the distressed liquor before and after the destruction.

The warehouse shall provide the distiller with a written or electronic copy of the Destruction of Unsalable Merchandise Report for the distressed liquor destroyed. A written or electronic copy of the report shall be sent quarterly by the warehouse to the Commission.

*History Note: Authority G.S. 18B-100; 18B-204; 18B-207; S.L. 2018-100, s. 2;
Eff. January 1, 1982;
Amended Eff. May 1, 1984;
Transferred and Recodified from 04 NCAC 02R .1603 Eff. August 1, 2015;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22, 2015;
Amended Eff. April 1, 2019.*

14B NCAC 15A .1604 PROHIBITED PRACTICES

(a) The removal of any spirituous liquors except as provided for in these Rules to any place except the State ABC warehouse, military posts, points outside the State, or the shipping distillery shall be prohibited.

(b) No liquor, distressed or otherwise, shall be given to any distiller representative or employee of the warehouse but, in accordance with Rule .1603 of this Section, shall be returned to the distiller or destroyed and recorded in the Destruction of Unsalable Merchandise Report.

*History Note: Authority G.S. 18B-100; 18B-204; 18B-207; S.L. 2018-100, s. 2;
Eff. January 1, 1982;
Amended Eff. May 1, 1984;
Transferred and Recodified from 04 NCAC 02R.1604 Eff. August 1, 2015;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22, 2015;
Amended Eff. April 1, 2019.*

SECTION .1700 - RETAIL SALES OF ALCOHOLIC BEVERAGES

14B NCAC 15A .1701 REMOVAL OF BEVERAGES FROM ABC STORES

(a) Except as allowed pursuant to Paragraph (b) of this Rule, spirituous liquor, either distressed or otherwise, shall not leave the custody of a local board after receipt unless:

- (1) The spirituous liquor is sold at retail;
- (2) The liquor is returned to the State ABC warehouse; or
- (3) The liquor is purchased, exchanged, or otherwise obtained by another local board as provided by 14B NCAC 15A .1301(e).

Any spirituous liquor otherwise leaving the local board is nontaxpaid spirituous liquor.

(b) Distressed Liquor. Distressed liquor shall be given to a public or private hospital for medicinal purposes only or destroyed and the destruction witnessed by the manager, or the manager's designee, in accordance with this Paragraph. The local board shall notify the distiller, or a representative of the distiller, in writing of the intent to destroy the distressed liquor, and obtain the distiller's, or a representative of the distiller's, written approval to destroy the distressed liquor. The distiller, or a representative of the distiller, shall be given an opportunity to:

- (1) be present in person or by video conference at the destruction; or
- (2) request proof of destruction by photographs or video recordings showing the distressed liquor before and after the destruction.

(c) A Destruction of Unsalable Merchandise Report shall be completed and signed by the party destroying the distressed liquor and the party approving the destruction on behalf of the distiller. The report shall contain the following:

- (1) the name of the entity submitting the report;
- (2) the date of the report;
- (3) the name of the distiller of the distressed liquor;
- (4) the product code and brand name of the distressed liquor;
- (5) the quantity of bottles being destroyed;
- (6) the cost of each bottle;
- (7) the total cost of all bottles destroyed;
- (8) an explanation of the type of damage that makes the liquor distressed;
- (9) the name and title of the distiller, or representative of the distiller, who provided written approval to destroy the distressed liquor; and
- (10) the date the approval to destroy was given.

A written or electronic copy of the report shall be sent to the distiller and a written or electronic copy shall be sent quarterly to the Commission by the local board. The original shall be retained by the local board for a period of three years.

(d) No sales of alcoholic beverages shall be made to employees, board members, or other retail customers on credit. This does not prohibit purchases made by the use of credit cards.

History Note: Authority G.S. 18B-100; 18B-207; 18B-806; 18B-807; S.L. 2018-100, s. 2; Eff. January 1, 1982; Amended Eff. January 1, 2011; July 1, 1992; May 1, 1984; Transferred and Recodified from 04 NCAC 02R .1701 Eff. August 1, 2015; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 22, 2015; Amended Eff. April 1, 2019.