



## S744 - Appropriations Act of 2014 (Budget)

10.20.2014

### Transfer of ABC Commission to Department of Public Safety

The 2014 state budget bill transfers the North Carolina ABC Commission (“ABC Commission”) from the North Carolina Department of Commerce to the North Carolina Department of Public Safety, effective October 1, 2014.

While the legislation provides that the ABC Commission shall exercise its powers independently of the Secretary of Public Safety, the fact that the ABC Commission has been transferred out of the Department of Commerce could indicate a willingness of the ABC Commission to view matters arising before it with a heightened view on regulation rather than the promotion of commerce. The move also aligns the ABC Commission more closely with the North Carolina Alcohol Law Enforcement (“ALE”), the state’s police arm for alcoholic beverages and a branch of the State Bureau of Investigation, under the Department of Public Safety.

ABC Commission Deputy Administrator Bob Hamilton, along with the North Carolina Rules Review Commission, are evaluating whether the ABC Commission’s regulations, currently found within the Department of Commerce regulations in Title 4 of the North Carolina Administrative Code, will move or be re-numbered.

### ABC Permit Fee Increase

The budget bill also increases ABC permit fees. Renewal fees for mixed beverage permittees increase from \$750 to \$1,000. Annual registration fees for malt beverage, fortified wine, and unfortified wine permits increase from \$200 to \$400 for each permit held, effective for permits issued after July 1, 2014.

### 30 Day Suspension of ABC Permits for Certain Criminal Charges

Another budget provision provides that the ABC Commission shall immediately suspend ABC permits for 30 days if (1) ALE or local ABC board officers provide the ABC Commission notice of an undercover operation, and (2) as a result of the undercover operation, five or more persons are criminally charged with violations of the gambling, disorderly conduct, prostitution, controlled substance, or felony criminal counterfeit trademark laws. This new provision applies to criminal charges filed on or after October 1, 2014.

## Related People

- M. Keith Kapp – 919.981.4024 – [kkapp@williamsmullen.com](mailto:kkapp@williamsmullen.com)
- Jennifer A. Morgan – 919.981.4051 – [jmorgan@williamsmullen.com](mailto:jmorgan@williamsmullen.com)