

The Daily Bulletin: 2026-05-22

PUBLIC/HOUSE BILLS

H 198 (2025-2026) [ABC OMNIBUS OF 2026. \(NEW\)](#) Filed Feb 25 2025, *AN ACT TO AMEND THE LAWS OF THIS STATE RELATED TO ALCOHOLIC BEVERAGES AND RAFFLES.*

Senate committee substitute replaces the 2nd edition in its entirety with the following. Makes conforming changes to the act's titles.

Part I.

Section 1.

Authorizes the Alcoholic Beverage Control Commission (Commission), with the Governor's approval, to borrow a one-time loan of up to \$310 million to be used for planning, design, construction, and equipping of a new automated warehouse with associated offices for the Commission. Prohibits the Commission from pledging any real property owned by the State as collateral. Provides for repayment. Effective July 1, 2026.

Part II.

Section 2.

Amends GS 18B-603 to specify that the Commission may issue brown-bagging permit for bars.

Section 3.

Amends GS 18B-300.3 by correcting statutory cross-references.

Section 4.

Amends GS 18B-300.1(f) to allow a permittee business that is not permitted to sell mixed beverages to allow a customer to possess and consume on the business's premises mixed beverages purchased from a mixed beverages permittee in the social district.

Section 5.

Amends GS 18B-1001.4 (authorization of delivery service permits) so that the specified permit holders may be deliver single-serving wine drinks. Makes a technical change.

Section 6.

Amends GS 18B-903 by extending the expiration date of ABC permits other than on-premises and off-premises malt beverage, unfortified wine, and fortified wine permits, culinary permits, permits listed in GS 18B-1100, limited special occasion permits, special one-time permits, and temporary permits, from April 30 to May 30. Requires the application renewal fees to be paid by May 1. Removes inspection fees. Prohibits a permit issued under Article 10 (retail activity), other than a special occasion permit, limited special occasion permit, special one-tie permit, or special auction permit from expiring or being revoked or cancelled for failure to pay a renewal application fee or annual registration fee until June 1 of each year, and the permittee must be allowed to operate under the permit until that date. Allows notification that a permittee has not paid any required renewal application fee or annual registration fee to be sent by email or first-class mail. Effective retroactively to June 28, 2024.

Makes conforming changes to GS 18B-900. Specifies in GS 18B-900 that if the Department of Revenue (Department) notifies the Commission that a person is not in compliance, then the Department has to notify the Commission within 30 days of the person coming into compliance.

Section 7.

Amends GS 18B-1001(12a), so that holders of on-premises malt beverages, on-premises unfortified wine permits, on-premises fortified wine permits, wine shop permits, and malt beverage shop permits can also hold a mobile bar services permit at the same permitted premises. Prohibits those permittees from selling beverages that they are not authorized to sell under a mobile bar permit, as described. Provides for restoration of inventory for those dual permit holders. Limits where those persons who only hold mobile bar permits can buy malt beverages and unfortified wine to retailers (was, retailer and wholesaler). Only allows purchase of fortified wine and spirituous liquor from an ABC store that is designated as a mixed beverage ABC store in the location described (was, wholesaler or ABC store as described). Provides for storage of inventory at residential addresses and limits inspections of the inventory at residential places unless the law enforcement either has a search warrant or exigent circumstances exist and there is probable cause for the residential search. Makes clarifying and conforming changes.

Section 8.

Authorizes, in GS 18B-503(d), the Commission to order either return of seized alcoholic beverages or the sale or destruction of seized alcoholic beverages if it accepts an offer in compromise to resolve an ABC law violation. Provides for notice to the District Attorney. Makes a technical change. Applies to offers in compromise accepted on or after the section becomes law.

Section 9.

Amends GS 18B-1001(16) (wine shop permits) and (16a) (malt beverage shop permits) to allow the holders of either of these permits to hold the other permit. Provides for sales limits when these permit holders hold both permits, as described.

Section 10.

Now requires the Commission to send notice of an alleged violation to a permit holder when it receives a report from any law enforcement agency (was, law enforcement other than the ALE Division in the Department of Public Safety) under GS 18B-502(c). Applies to violations committed on or after the section becomes law.

Section 11.

Establishes a service business permit as a new kind of ABC permit under GS 18B-1001, as follows. Authorizes a service business (an establishment that is primarily engaged in the business of providing services to the general public that require an occupational license issued by the State) to furnish complimentary malt beverages and unfortified wine to customers, in conjunction with the provision of the service, for consumption on the permittee's premises at no extra charge to the customers in the servings and amounts specified, subject to the conditions of GS 18B-603, described below. Authorizes purchase of permitted beverages from a wholesaler.

Specifies in GS 18B-603, that the ABC may only issue service business permits to qualified persons and establishments located within a jurisdiction in which on-premises malt beverage permits or on-premises unfortified wine permits may be issued, subject to the three following restrictions for a service business permit:

1. If on-premises malt beverage permits, but not on-premises unfortified wine permits, may be issued in the jurisdiction, the service business permittee may furnish only malt beverages to customers.
2. If on-premises unfortified wine permits, but not on-premises malt beverage permits, may be issued in the jurisdiction, the service business permittee may furnish only unfortified wine to customers.
3. If on-premises malt beverage permits and on-premises unfortified wine permits may be issued in the jurisdiction, the service business permittee may furnish malt beverages and unfortified wine to customers.

Provides for a \$50 service business permit fee in GS 18B-902. Specifies in GS 18B-903 that a service business permit remains valid indefinitely unless it is surrendered, suspended, or revoked. Sets annual registration and inspection fee at \$50 per permit. Requires service business permittees to submit a recycling plan along with the original permit application and any renewal. Makes technical and conforming changes to GS 18B-GS-903, GS 18B-300 (pertaining to purchase and consumption of malt beverages and unfortified wine), and GS 18B-1006.1 (additional requirement for certain permittees to recycle beverage containers).

Effective September 1, 2026.

Section 12.

Modifies the county alcoholic beverage elections under GS 18B-600 for mixed beverages so that in addition to the conditions specified, a county may hold such an election if a city in the county operates at least one ABC store. Specifies that if a county does not operate at least one ABC store, a mixed beverages permittee may purchase liquor from an ABC store that is designated as a mixed beverage ABC store operated by any local board operating in the same county as the permittee. Retroactively effective to October 1, 2024, and applies to elections held on or after that date.

Section 13.

Amends GS 18B-800 to allow ABC stores to comply with the requirement to display spirits distilled or produced in NC in an area dedicated solely to NC products by identifying the product as a NC product by a price or shelf tag.

Section 14.

Amends GS 18B-101 to include manufactured and packaged whipped cream containing at least 0.5% alcohol by volume in the definition of alcohol consumable. Applies to offenses committed on or after December 1, 2026.

Section 15.

Amends GS 18B-800 to require the local board conducting a lottery or other random drawing to sell apportioned products, as defined, to customers of an ABC store to give 30 days' written notice to mixed beverage permittees. Permits electronic notice. Applies to lotteries or other random drawings to sell apportioned products on or after October 1, 2026.

Section 16.

Expands the types of events conducted by nonprofit organizations or units of local government where no permit is required under GS 18B-1002(a) (kinds of permits) to include: (1) when the event is held on a premises that permitted under GS Chapter 18B and the wine, malt beverages, and spirituous liquor sold by the retail permittee are from its inventory and (2) when the event is held on premises that does not have a permit, but the wine, malt beverages, and spirituous liquor sold or served at the event is provided by either a mobile bar services, mixed beverages catering, malt beverage special event, winery special event, or spirituous liquor event permit holder in a manner allowed under that permit. Clarifies that the permit exceptions for local governments apply when the ticketed event is conducted by a unit of local government, nonprofit organization, or political organization. Makes technical and organizational changes.

Section 17.

Enacts GS 18B-1002.2, which creates a special multiple event permit (SMEP) to be issued to an individual representing a nonprofit organization (defined) or a political organization (defined) to allow the five specified types of alcoholic beverages at the organization's multiple fundraising events. Requires the permit holder to be present at the event. Limits the amount of SMEP permittees in an organization to two. Prohibits any person from holding a SMEP on behalf of more than one organization. Provides for notice of the fundraising event to the Commission and to the governing body of the city or county where the event is held. Requires a SMEP permittee to maintain records of its events, as specified. Clarifies that a SMEP permit does not allow for the sale of any kind of alcohol in a jurisdiction where the sale of that alcoholic beverage is not unlawful or the sale or consumption of alcohol outside the hours authorized. Specifies that a SMEP permit is not required when the organization is holding an event: (1) that is permitted under GS Chapter 18B and the wine, malt beverages, and spirituous liquor sold by the retail permittee are from its inventory and (2) when the premises does not hold a permit, but when wine, malt beverages, and spirituous liquor sold or served at the event is provided by either a mobile bar services, mixed beverages catering, malt beverage special event, winery special event, or spirituous liquor event permit holder in a manner allowed under that permit. Amends GS 18B-125 to specify that the Article does not create a claim for relief against SMEP permit holders. Makes technical changes. Amends GS 18B-300.1(j) so that SMEP permit holders can hold events in social districts. Authorizes the Commission to issue SMEPs without election under GS 18B-603(f). Exempts SMEP's from the requirement that an ABC permit holder be current in its tax filings, as described, in GS 18B-900(a). Makes organizational and conforming changes to GS 18B-901(b) to account for SMEP. Establishes a \$200 SMEP application fee in GS 18B-902(d).

Section 18.

Amends GS 18B-905 to provide for an applicant for an ABC permit under GS 18B-1001 or GS 18B-1100 to submit a sworn affidavit with their application stating they have applied to the local government for the Inspection/Zoning Compliance and Local Government Opinion approvals required for the application, in lieu of those approvals. Requires the person to send the

approvals or denials to the Commission within three business days of receipt. Applies to applications received on or after October 1, 2026.

Section 19.

Amends GS 18B-1010, eliminating the restrictions for selling and delivering alcoholic beverages to a single patron based on type of alcoholic beverage, except as otherwise provided in the statute. Instead, enacts a general restriction to limit holders of an on-premises malt beverage permit, on-premises unfortified wine permit, on-premises fortified wine permit, or mixed beverages permit from selling and delivering more than two alcoholic beverage drinks at one time to a single patron. Applies to alcoholic beverages sold on or after October 1, 2026.

Section 20.

Authorizes, in GS 18B-1010(c), the holder of an on-premises malt beverage permit, on-premises unfortified wine permit, on-premises fortified wine permit, mixed beverages permit, or a permit holder otherwise authorized to sell these beverages for on-premises consumption to sell and deliver up to six alcoholic drinks at one time to a single person for on-premises consumption if they are in an original, unopened contained and delivered in a single vessel. Directs the Revisor of Statutes to replace all references to GS 18B-1010 with GS 18B-1010(a) in the specified provisions of GS Chapter 18B.

Section 21.

Amends GS 18B-1001 to allow an on-premises malt beverage permit to be issued to wineries. Amends GS 18B-1101 to allow the holder of an unfortified winery permit to sell malt beverages for on-premises consumption upon obtaining the appropriate permit, regardless of the result of any local malt beverage election. Amends GS 18B-1102 to allow the holder of a fortified winery permit to sell malt beverages for on-premises consumption upon obtaining the appropriate permit, regardless of the result of any local malt beverage election.

Section 22.

Removes provision in GS 18B-1116 that prohibits a manufacturer, bottler, or wholesaler of any alcoholic beverages, or for any officer, director, or affiliate thereof, from providing draft line cleaning services to an alcoholic beverage retailer unless the retailer pays the fair market value for such services. Instead, makes it unlawful for those person to provide or offer to provide draft line cleaning services to: (1) an alcoholic beverage retailer at a different cost per line than to another alcohol retailer or (2) some alcohol retailers but not others. Clarifies that the statute does not require those persons to provide or offer to provide draft line cleaning services. Requires any permittee that provides draft alcoholic beverages to ensure that the draft lines are cleaned on a regular basis, to maintain a record of each cleaning date for at least 12 months. Effective October 1, 2026.

Section 23.

Authorizes the Commission in GS 18B-205 to require real-time reporting from local boards of daily, weekly, and monthly sales to a designated vendor in real time. Allows boards to satisfy the requirement by connecting or integrating the point-of-sale system used in its ABC stores with the vendor.

Section 24.

Allows, in GS 18B-1114.7, a permit holder conducting a consumer tasting in an ABC store to prepare and offer for tasting mixed beverages containing the spirituous liquor offered for tasting at the ABC store so long as it is no more than .25 ounces of the liquor. Specifies that the .5 ounce per day limit on spirituous liquor samples also applies to mixed beverages.

Section 25.

Amends GS 18B-1003 by no longer prohibiting an ABC permittee from employing in the sale or distribution of alcoholic beverages any person who has been convicted of a misdemeanor controlled substances offense within two years. Adds that if the Commission notifies a permittee of a potential violation of the prohibition on employing certain persons who have committed offenses, and the permittee claims undue hardship within 30 days of the notification, then the permittee may continue to employ the person until the final determination of undue hardship.

Requires the Commission to adopt rules to amend its rules consistent with this section.

Applies to individuals employed by ABC permittees and undue hardship proceedings on or after the date that this act becomes law.

Section 26.

Amends GS 18B-1001 by adding that an on-premises unfortified wine permit and a wine shop permit allows wine tastings conducted at a consumer's private residence or a location that does not have a permit where consumers are educated about selection, servicing, and storing of wine by the permittee or their employee or agent using wine from the permit holder's inventory and consumers may purchase wine for future delivery or pick-up at the permittee's permitted premises.

Section 27.

Amends GS 18B-1001 to allow an on-premises malt beverage permit to be issued to wineries and to allow on-premises unfortified wine permits to be issued to breweries. Amends GS 18B-1101 to allow the holder of an unfortified winery permit to sell malt beverages for on-premises consumption upon obtaining the appropriate permit, regardless of the result of any local malt beverage election. Amends GS 18B-1102 to allow the holder of a fortified winery permit to sell malt beverages for on-premises consumption upon obtaining the appropriate permit, regardless of the result of any local malt beverage election. Amends GS 18B-1104 to allow the holder of a brewery permit to sell unfortified wine for on-premises consumption upon obtaining the appropriate permit, regardless of the results of any local unfortified wine election.

Section 28.

Amends GS 18B-404 to allow a mixed beverage permittee to purchase spirituous liquor from any ABC that is designated as a mixed beverage ABC store operation by any local board operating in either the same county as the permittee or any adjacent county (was, same county only). Prohibits a local board from soliciting any mixed beverage permittee to purchase spirituous liquor except for permittees located within the board's jurisdiction. Allows a local board to provide delivery service to mixed beverage permittees operating in the same county in which the board is located or any adjacent county. Makes conforming changes to GS 18B-600, places eligible to hold alcoholic beverage elections, GS 18B-603, concerning permits based on existing permits, GS 18B-701, loc boards powers, GS 18B-1001(12a), concerning mobile bar services permits, and GS 18B-1007, concerning spirituous liquor purchases by a mixed beverage permittee.

Section 29.

Amends GS 18B-1009 to also allow a retail permittee to sell malt beverages in the seating areas of theaters, and amphitheaters, in addition to the already allowed seating areas of stadiums and ballparks, with a seating capacity of 3,000 or more and allows the sale during concerts or professional sporting events (was, limited to professional sporting events). Makes conforming changes.

Section 30.

Amends GS 18B-101 by expanding upon what is defined as antique spirituous liquor by requiring that it has not been in production or bottled in the last 10 (was, 20) years. Adds a definition of decorative decanter. Enacts new GS 18B-1002.3 allowing an auction house permit to be issued to an auction firm or auctioneer licensed by the NC Auctioneers Commission to allow the licensed firm or auctioneer to sell at auction items listed in GS 18B-1002(a)(4) (which allows issuing a permit to a collector of wine, decorative decanters of spirituous liquor, or antique spirituous liquor authorizing that person to bring into the State, transport, or possess as a collector, a greater amount of those alcoholic beverages than is otherwise authorized by GS Chapter 18B, or to sell those alcoholic beverages in a manner prescribed by the Commission) on the permittee's premises. Sets an auction house permit application fee at \$1,000 in GS 18B-902. Repeal GS 18B-1002.1 which allowed for special auction permits. Makes conforming changes to GS 18B-603.

Section 31.

Changes the name of the ALE Division to SLED (Special Law Enforcement Division of the Department of Public Safety) and refers to special law enforcement agents instead of alcohol law enforcement agents in GS 143B-900, GS 18B-1-1, GS 18B-500, GS 18B-501, GS 18B-502, GS 18B-504, GS 18B-505, and GS 93B-1. Makes additional technical changes. Allows the Revisor of Statutes to make related changes. Effective January 1, 2027.

Section 32.

Amends GS 18B-200 by increasing the number of associate members on the North Carolina Alcoholic Beverage Control Commission from two to four. Gives the Governor power to appoint the chair and two associate members, the President Pro Tempore of the Senate power to appoint one associate member, and the Speaker of the House of Representatives the power to appoint one associate member. Makes conforming changes. Effective December 1, 2026.

Section 33.

Amends GS 150B-38 to make Article 3A, Other Administrative Hearings, of GS Chapter 150B applicable to the North Carolina Alcoholic Beverage Control Commission. Applies to contested cases filed on or after October 1, 2026.

Section 34.

Amends GS 18B-700 by prohibiting a current member of a city governing body or board of county commissioners from being appointed to a local ABC board. Allows a person who is a member of a city governing body or board of county commissioners who is a member of a local ABC board on the section's effective date to serve the remainder of their term on the local ABC board.

Section 35.

Amends SL 1961-150, as amended as follows. Gives the City of Sanford Board of Alcoholic Beverage Control all the powers and duties prescribed for local board (was, prescribed for County Boards of Alcoholic control and made it subject to the State Board of Alcoholic Control to the same extent as are County Boards of Alcoholic Control). Replaces the profit distribution requirements with the following. Requires the Board, before making any other distribution, to pay from its gross proceeds, all costs and expenses incurred for education and law enforcement purposes. Allows the board to contract with law enforcement agencies located in Lee County's jurisdiction to enforce the State's alcoholic beverage laws within the Board's jurisdiction. Requires the Board to maintain a sustainable operating budget and prohibits the unencumbered operating reserve from falling below 15% of the Board's total annual operating budget. Distributes the net proceeds that remain after applying all costs, operating expenses, and education and enforcement expenditures, and satisfying the operating reserve requirement, as follows, on a quarterly basis: (1) 30% to Lee County's general fund; (2) 30% to Sanford's general fund; and (3) 40% retained by the Board for day-to-day operating expenses, capital needs, and other lawful purposes. Makes additional technical, clarifying, and conforming changes.

Part V.

Section 36.

Amends GS 14-309.28 to expand upon the allowable number of game night events conducted or sponsored by an exempt organization from four to 24 events per year. Also allows a qualified facility to host no more than 24 game nights in any calendar year (was, a facility authorized to host a game night must not host more than two game nights in any calendar month). Applies to game nights conducted on or after October 1, 2026.

Section 37.

Amends GS 14-309.15, concerning raffles as follows. Adds and defines the term 50/50 raffle; makes organizational and technical changes. Adds that the statute's restrictions on number of raffles, maximum cash prizes, holding raffles in conjunction with bingo, the amount of the proceeds that must be used in specified way, and on offering real property as a raffle prize, do not apply to 50/50 raffles conducted by nonprofit organizations or government entities within the state. Applies to offenses conducted on or after December 1, 2026.

Part VI.

Section 38.

Includes a severability clause.

Intro. by Miller, Pyrtle.

[Lee, GS 14, GS 18B, GS 93B, GS 143B, GS 150B](#)

[View summary](#)

[Alcoholic Beverage Control, Courts/Judiciary, Criminal Justice, Criminal Law and Procedure, Government, APA/Rule](#)

ACTIONS ON BILLS

PUBLIC BILLS

H 198: ABC OMNIBUS OF 2026. (NEW)

Senate: Reptd Fav Com Substitute

Senate: Com Substitute Adopted

Senate: Re-ref Com On Finance

H 1042: AFFORDABLE HOUSING EXEMPTION MODS.

Senate: Regular Message Received From House

Senate: Passed 1st Reading

Senate: Ref To Com On Rules and Operations of the Senate

S 1084: REDUCE EARLY VOTING PERIOD.

Senate: Withdrawn From Com

Senate: Re-ref to Elections. If fav, re-ref to Rules and Operations of the Senate

LOCAL BILLS

H 1035: EVEN-YR ELECTIONS/PINK HILL. (NEW)

Senate: Withdrawn From Com

Senate: Re-ref to Elections. If fav, re-ref to Rules and Operations of the Senate

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