# NORTH CAROLINA REGISTER

**VOLUME 40 • ISSUE 12 • Pages 973 – 1044** 

**December 15, 2025** 

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#### PUBLISHED BY

The Office of Administrative Hearings Rules Division 1711 New Hope Church Road Raleigh, NC 27609 Telephone 984-236-1850 Fax 984-236-1947

Melissa Owens Lassiter, Director Brian Liebman, Codifier of Rules Julie B. Eddins, Publications Coordinator

#### PROPOSED RULES http://nfpa.org/codes-and-standards/nfpa-99-standard-Local funds affected development/99. Substantial economic impact (>= \$1,000,000) (h) Ovens, ranges, cook tops, and hot plates located in rooms or Approved by OSBM $\boxtimes$ areas accessible by patients or residents shall not be used by No fiscal note required patients or residents except under facility staff supervision. The

Authority G.S. 131E-102;131E-104.

#### TITLE 14B - DEPARTMENT OF PUBLIC SAFETY

degree of staff supervision shall be based on the facility's

assessment of the capabilities of each patient and resident.

Notice is hereby given in accordance with G.S. 150B-21.3A(c)(2)g. that the Alcoholic Beverage Control Commission intends to readopt with substantive changes the rules cited as 14B NCAC 15C .0103, and .0701-.0715.

Link to agency website pursuant to G.S. 150B-19.1(c): https://abc.nc.gov/legal/laws-rules-and-resources

Proposed Effective Date: May 1, 2026

**Public Hearing:** 

Date: January 14, 2026 Time: 10:00 a.m.

Location: NC ABC Commission, Hearing Room, 400 East Tryon

Road, Raleigh, NC 27610

Reason for Proposed Action: Mandatory periodic review per G.S. 150B-21.3A.

Comments may be submitted to: Renee Metz, 400 East Tryon Road, Raleigh, NC 27610; phone (919) 948-7919; email rules@abc.nc.gov

Comment period ends: February 13, 2026

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission. please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal	impact. Does any rule or combination of rules in this
notice	create an economic impact? Check all that apply.
	State funds offeeted

State funds affected

#### CHAPTER 15 - ALCOHOLIC BEVERAGE CONTROL COMMISSION

**SUBCHAPTER 15C - INDUSTRY MEMBERS:** RETAIL/INDUSTRY MEMBER RELATIONSHIPS: SHIP CHANDLERS: AIR CARRIERS: FUEL ALCOHOL

#### **SECTION .0100 - DEFINITIONS: APPLICATION PROCEDURES**

#### 14B NCAC 15C .0103 **BEER FRANCHISE LAW;** "BRAND" DEFINED

For purposes of Article 13 of Chapter 18B, 18B of the General Statutes, the Beer Franchise Law, a distribution agreement between a supplier and wholesaler applies to all products distributed by the supplier under the same brand name. Different categories of products manufactured and marketed under a common identifying trade name are considered to be the same brand; e.g., the "Old Faithful" brand manufactured by Yellowstone Brewery Co. would include "Old Faithful", "Old Faithful Light", "Old Faithful Draft", "Old Faithful Dry" and other products identified principally by and relying upon the "Old Faithful" name, but would not include "Old Teton" which was also manufactured by Yellowstone Brewery Co. brand. The Commission shall determine the brand Determination of a product's brand shall be made by the Commission at the time the product is approved for sale in North Carolina Carolina. Later changes to advertising strategy or labeling and shall not affect the brand. be affected by later changes in the manufacturer's advertising strategy or labeling. Differences in packaging, such as different style, type or size of container, Different packaging, style, font, or container do not establish different brands. The name of the manufacturer shall not be the brand name unless no other information on the label qualifies as a brand.

Note: As an illustration, the "Old Faithful" brand manufactured by Yellowstone Brewery Co. would include "Old Faithful", "Old Faithful Light", "Old Faithful Draft", "Old Faithful Dry" and other products identified principally by and relying upon the "Old Faithful" name, but would not include "Old Teton" which was also manufactured by Yellowstone Brewery Co.

Authority G.S. 18B-100; 18B-207; 18B-1303(a).

#### **SECTION .0700 - ALCOHOLIC BEVERAGES:** RETAILER/INDUSTRY MEMBER RELATIONSHIP: TRADE PRACTICES

#### 14B NCAC 15C .0701 **DEFINITIONS**

For the purposes of this Section, the following definitions shall apply:

> (1) "Equipment" shall include draft beer boxes, wine dispensing machines, refrigeration devices, sinks, dishwashers, dispensing trucks, trailers, caddies, and any other item useful or

- suitable items used for the preparation, serving, dispensing dispensing, or cleaning of food or beverages food, beverages, or food and beverage containers.
- (2) "Point-of-Sale advertising" shall mean advertising material such as including signs, posters, banners, and decorations that bears conspicuous and substantial product advertising matter, that has no secondary value to the retailer, and that is designed and intended to be used inside a retailer's licensed premises where alcoholic beverage products are displayed and sold, decorations:
  - (a) containing alcoholic beverage product advertising matter;
  - (b) <u>having no secondary value to the</u> retailer; and
  - (c) designed and intended to be used inside a retailer's licensed premises where alcoholic beverages are displayed and sold.
- "Promotion" shall include any advertising (3) publicity advertising, publicity, or sponsorship activity in connection with any a special event, function function, or holiday that is outside the scope of routine sales and marketing, and shall fundraisers, include including concerts, festivals. celebrations, sporting events. ceremonies. operations, anniversaries, observances, sweepstakes sweepstakes, or contests.

Authority G.S. 18B-100; 18B-207; 18B-1116.

## 14B NCAC 15C .0702 MALT BEVERAGES: ALLOWANCES FOR DAMAGE

No allowance shall be made by any malt Malt beverage industry member members shall not provide a credit or allowance to any a retailer for flat beer or chipped or broken bottles, except in instances where when the retailer returns the tops of the bottles with glass attached to the industry member. No refund shall be made by any industry member Industry members shall not provide a refund on canned malt beverages that have been opened by a can opener or pull tab. Refunds Industry members may be made give refunds on canned malt beverages if it is obvious the malt beverages have been damaged in during shipment to the wholesaler or retailer.

Authority G.S. 18B-100; 18B-207; 18B-1116.

## 14B NCAC 15C .0703 REMOVAL OR DISTURBANCE OF OTHER BRANDS PROHIBITED

No wholesaler Wholesalers shall <u>not</u> remove from a retailer's premises any bottles, <u>eartons</u> cartons, or kegs bearing brand identification <u>except brands</u> that are distributed by that wholesaler <u>unless</u> the wholesaler is authorized to distribute the <u>brand</u>. No wholesaler Wholesalers shall <u>not</u> remove, <u>rearrange</u> rearrange, or otherwise disturb any malt beverages or wine

displayed by another wholesaler on a retail licensed premises by another wholesaler, except:

- (1) to return merchandise to its <del>properly</del> assigned shelf space when it has been inadvertently placed in the wholesaler's assigned space; or
- (2) to remove a competitor's product from a promotional display area that has been assigned to the wholesaler, and wholesaler if the competitor's personnel are not available unavailable to move their own product from the area at the time when the wholesaler's product is scheduled to go on promotion.

Authority G.S. 18B-100; 18B-207; 18B-1116(b).

### 14B NCAC 15C .0704 QUANTITY DISCOUNTS PROHIBITED

No wholesaler or his employee A wholesaler or salesman shall not give any a retailer a quantity discount on the price of malt beverages or wine, nor shall a retailer wine. A quantity discount includes charging a fee for an order of less than a full case. Retailers shall not require a wholesaler to provide these quantity discounts.

Authority G.S. 18B-100; 18B-207; 18B-1116(a).

#### 14B NCAC 15C .0705 EXCLUSIVE OUTLETS

No An industry member shall <u>not</u> require, by agreement or otherwise, directly or indirectly, through direct or indirect means, that any a retailer engaged in the sale of malt beverages, wine or <u>mixed beverages</u> purchase any alcoholic beverages from that <u>person</u> the industry member pursuant to any of the following practices:

- written or unwritten contractual purchase agreements;
- (2) threat of loss of supply;
- (3) purchases made as a prerequisite for the purchase of short supply items; or
- (4) any form of coercion by the industry member, including threats of physical or economic harm.

Authority G.S. 18B-100; 18B-207; 18B-1116(a).

## 14B NCAC 15C .0706 INDUCEMENTS (TIED HOUSE) No industry member shall: Industry members shall not:

- acquire or hold any an interest in any a license or permit with respect to or the premises of a retail permittee;
- (2) acquire any an interest in real or personal property owned, occupied, or used by a retail permittee in the conduct of his for the retailer's business:
- (3) furnish, give, rent, lend, or sell to a retail permittee any equipment, fixtures, signs, supplies, money, services, or other things of value except as otherwise provided in these Rules:
- (4) pay or credit a retail permittee for any advertising, display, or distribution service;

- (5) guarantee any a loan or the repayment of any a financial obligation of a retail permittee;
- (6) extend credit to a retail permittee, except as otherwise provided in these Rules:
- require a retail permittee to take and dispose of a certain quota of any alcoholic beverages;
- (8) acquire any an interest in a mortgage or deed of trust on the retailer's business or property;
- (9) pay for the display of advertising on any signs or scorecards manufactured by a third party for a retailer;
- (10) furnish free warehousing by delaying delivery of alcoholic beverage product or by providing refrigerated vehicles for a retailer; or
- (11) purchase advertising on signs, scoreboards and programs at ballparks, racetracks, and coliseums from the retail concessionaire, unless the retailer is a city or county, and an exemption has been granted pursuant to G.S. 18B-1116(b).

Authority G.S. 18B-100; 18B-207; 18B-1116(a).

#### 14B NCAC 15C .0707 COMMERCIAL BRIBERY

- (a) No industry member Industry members shall make not give gifts or payoffs payments to purchasing agents, clerks, bartenders, salesmen salesmen, or other employees of retail permittees.
- (b) No industry member Industry members shall not give any a bonus, premium premium, or compensation to any a retailer or an officer, employee employee, or agent of the retailer. Prohibited acts include:
  - (1) monetary inducements ("push money") given to retailers or their employees;
  - total or partial payment of <u>any part of</u> a retailer's employee's salary;
  - (3) sales promotion contests in which where a retailer's employees are offered or awarded prizes, prizes such as trips abroad, cash, or automobiles that are totally or partially financed by an industry member;
  - payments or gratuities to groups or associations of retailer's employees;
  - (5) other gifts such as trips, appliances, or other items given to retail corporate officers; or
  - (6) participation in a retailer's sales or management meetings, conventions or outings meeting, convention, or outing by sponsoring or underwriting any events in connection with at the meeting, convention convention, or outing, unless such participation is limited to the providing of a hospitality suite with light hors d'oeuvres and beverages, and the price paid for the suite is not greater than that paid by any other participant in the meeting, convention convention, or outing.
- (c) Notwithstanding Paragraphs (a) and (b) of this Rule, an industry member may invite <u>and pay for</u> up to two employees or representatives of a retail permittee <del>who is</del> permitted <del>under pursuant to</del> G.S. 18B-1001, to, and pay for, to for a business meal

to discuss sales and promotions in person , provided that: with the following conditions:

- (1) the business meal, including beverages consumed with the meal, shall take place within North Carolina and shall not take place at any entertainment venue or in conjunction with entertainment; the industry member shall conduct the business meal in North Carolina but not at an entertainment venue or in conjunction with entertainment;
- (2) if the industry member provides transportation, that it shall be by personal vehicle only; the industry member shall use only a personal vehicle;
- (3) the industry member must accompany the employees or representatives of a retail permitee for the duration of the business meal;
- (4) such the industry member shall provide the business meal shall be provided without a corresponding obligation on the part of the retailer to purchase alcoholic beverages or to provide any other a benefit to such the industry member;
- (5) such the industry member shall provide the business meal shall be provided without a corresponding obligation on the part of the retailer to exclude from sale the products of any other another industry member;
- (6) the cost of the business meal shall not exceed the cost of a business meal in the food and nonalcoholic beverage industry provided in the ordinary course of business; and
- (7) an industry member shall pay for no more than two business meals per retail permittee per calendar year.

This Paragraph does not apply to any an industry member that has a bona fide, with a pre-existing relationship with any a retail permittee separate from the beverage alcohol industry.

Authority G.S. 18B-100; 18B-207; 18B-1116(a).

## 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 member, any 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 purpose 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 shall indicate 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 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 permanent 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 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.

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.

Authority G.S. 18B-100; 18B-207; 18B-1116.

## 14B NCAC 15C .0709 PROHIBITED TRADE PRACTICES

- (a) General. It shall be a violation of this Rule for any An alcoholic beverage (including malt beverages, wines and spirituous liquors) industry member, member for malt beverages, wine, or spirituous liquor, whether or not licensed in this state, state or not, or any officer, director, employee employee, or affiliate, to either directly or indirectly shall not lend, give, furnish furnish, or offer to any a retail permittee or his permittee, a retailer's employee, or to the owner of the premises on which where the business of a retailer is conducted, or for any a retail permittee, employee, or owner to demand, require require, or accept from any an industry member, any money, services, furniture, fixture, equipment, sign, glasses, barware, supplies supplies, or other thing of value, except as provided in this Rule. (b) Prohibited Services. By way of illustration, the The following services shall not be furnished, given, provided provided, or made available to a retail permittee by an industry member, even if the retailer is charged or billed for the services for their market value:
  - installing, repairing repairing, or maintaining equipment, outdoor signs signs, or other fixtures;
  - (2) promoting a retailer in advertising;
  - (3) reconciling inventory for a retailer;
  - (4) providing labor or employees to assist a retailer in the retailer's promotional events unless otherwise allowed in the rules of the Commission:
  - (5) loaning or renting aerial displays or outdoor inflatables to a retailer for use, whether on or off the retailer's licensed premises;
  - (6) pricing or repricing a product without the retailer's consent;
  - (7) warehousing, by:
    - (A) making refrigerated vehicles available to the retailer; or
    - (B) delaying delivery from a manufacturer, importer, nonresident vendor vendor, or warehouse in order to enable the retailer to take advantage of promotional prices or for any other reason; for the retailer's advantage;
  - (8) affixing special retailer stamps or stickers to beer or wine packaging, but a packaging. A wholesaler may affix signs, stickers, stamps, or tags indicating the product's price to a container, shelf shelf, or display of its the wholesaler's products;
  - (9) entering delivery data on a retailer's in-store computer;
  - (10) providing data processing services;
  - (11) sponsoring sports leagues that are also sponsored by a retailer, retailer or that use the facilities of a retailer for sporting events;

#### **PROPOSED RULES**

- (12) guaranteeing the loan of a retailer;
- (13) extending credit to a retailer;
- (14) failing to require a deposit equal to that charged by the supplier on kegs and returnable bottles; or
- (15) negotiating special prices for or financing of equipment.
- (c) Prohibited Things of Value. By way of illustration, the <u>The</u> following things of value shall not be furnished, given, loaned, rented rented, or sold to a retail permittee by any an industry member:
  - (1) aerial displays or tethered inflatables;
  - (2) parties given for retailers or groups of retailers' employees, unless otherwise allowed by the rules of the Commission:
  - (3) prizes at retailer conventions;
  - (4) advertising in a retailer periodical or advertising in a retailer publication designed for distribution to consumers;
  - (5) outside signs;
  - (6) cooperative advertising, including:
    - (A) providing or assisting retailer promotions, whether on or off the retailer's premises;
    - (B) participation with a retailer in the advertising of alcoholic beverages, the retailer's business business, or special events unless specifically approved by the Commission in the case of fundraisers for non-profit charitable organizations after consideration of the factors listed in G.S. 18B-1116(b);
    - (C) underwriting the cost of T-markers, scorecards scorecards, or scoreboards by the purchase of advertising from a third party; or
    - (D) customizing point-of-sale advertising materials, novelties, glassware, consumer specialties specialties, or product displays by printing or having printed the retailer's name, slogan or logo on the item, unless otherwise specifically allowed in the rules of the Commission;
  - (7) making discounts, rebates rebates, or refunds to a retailer on the condition that the retailer use the discount, rebate rebate, or refund to pay off a loan:
  - (8) equipment, fixtures or furnishings; or
  - (9) clothing, except as provided in Rule .0711 of this Section. 14B NCAC 15C .0711.

Authority G.S. 18B-100; 18B-207; 18B-1116.

## 14B NCAC 15C .0710 ACCEPTED TRADE PRACTICES; SERVICES

The following service activities are specifically allowed in transactions between alcoholic beverage (which includes malt beverages, wines and spirituous liquors) industry member and

retailers: Malt beverage, wine, and spirituous liquor industry members are authorized to provide the following services to retailers:

- Shelving and Pricing for Malt Beverage and Wine Wholesalers.
  - (a) Malt beverage and wine wholesalers who have been assigned space in retail permittee outlets may price or re-price their stock as designated requested by the retail permittee.
  - (b) Malt beverage and wine wholesalers may rearrange and place their brand or brands in their assigned shelf space so as to rotate their stock and to keep their assigned space clean and neat.
  - (c) Malt beverage and wine wholesalers may rearrange or reset a retail permittee's alcoholic beverage shelf space, display area, or department pursuant to that retail permittee's plan and direction, direction. but that industry Industry members shall not move or disturb brands sold by other industry members.
- (2) Coil Cleaning Service. An industry member may render coil cleaning services to a retailer.
- (3) Shelf Management Plans; Notice Prior to Reset.
  - (a) An industry member may discuss with a retailer shelf-management concepts and programs and may provide, publish, and make available data on market sales and analysis.
  - (b) An industry member may provide and suggest shelf-management which are customized for a specific retail permittee or group of retail permittees. The retail permittee shall solely responsible implementing any a suggested shelfmanagement plan. If an industry member provides a suggested shelfmanagement plan to a retail permittee or group of retail permittees, he must provide a suggested plan to any other retail permittee permittees upon request. Shelf-management plans shall meet the following conditions:
    - no retail permittee or person acting on its the retail permittee's behalf shall implement a shelf-management plan unless the retail permittee sends notice of the plan to all wholesalers that service that service that service that location who have provided a request to the retail permittee to receive such notice:

- requested notification from the retail permittee;
- (ii) the retail permittee shall provide the notice to wholesalers required under this Sub-item SubItem at least two weeks prior to implemention of the plan and the notice shall include the date and time of the contemplated plan implementation and shall be provided at least two weeks before such time. implementation. In the event of an exigent or other unforeseen circumstance in which such If notice cannot be provided within the two week period, the retail permittee shall provide such notice within a reasonable period of time as referenced by pursuant to G.S. 25-1-205(a);
- (iii) the retail permittee shall include the proposal in a notice if an industry member assists in the creation of a proposed plan, the notice provided by the retail permittee shall also include the proposal; plan; and
- (iv) if a retail permittee develops a shelf-management plan without assistance from an industry member or makes adjustments to less than 15 percent of the current shelfmanagement plan, the retail permittee is not required to send the notice wholesalers required under this Sub-item does not apply to a retail permittee that independently develops or designs his own shelfmanagement plan without the assistance of an industry member, or who makes adjustments to less than 15 percent of the current selfmanagement plan. Sub-Item.
- (c) A wholesaler may provide physical labor to implement a shelf-management plan.
- (d) For purposes of this Rule, a shelf-management plan includes shelf resets.

- (e) For purposes of this Rule, notice from either a retail permittee or an industry member shall be provided provide notice by verifiable electronic mail, certified mail, or other delivery service which requires requiring written verification of delivery, and shall include a designated person and contact contact person's information for return correspondence.
- (4) Participation in Retailer Association Activities. An industry member may participate in retailer association activities by:
  - (a) displaying product at association conventions or trade shows;
  - (b) renting display or booth space so long as <u>only if</u> the rental fee is the same as the fee paid by all exhibitors;
  - (c) providing hospitality events which are independent from association sponsored activities;
  - (d) purchasing tickets to functions and paying registration fees <u>only</u> if such fees are the same fees are as paid by all exhibitors; and
  - (e) making payments for advertisements programs or brochures at association shows within the dollar limits established by 27 C.F.R. 6.100 and the Bureau of Alcohol, Tobacco and Firearms which is incorporated herein by reference. Cost adjustment increases authorized by 27 C.F.R. 6.83 are also incorporated herein by reference but subsequent amendments to 27 C.F.R. 6.100 are not incorporated. Copies of these regulations are available for inspection and copying as provided by 14B NCAC 15C .0401. Subpart D of 27 CFR Part 6, incorporated herein by reference and available for free at https://www.ecfr.gov/current/title-27/chapter-I/subchapter-A/part-6/subpart-D.
- (5) Educational Seminars. An industry member may provide or sponsor seminars for retailers and their employees in the following areas:
  - (a) the proper use of equipment;
  - the proper storage, handling handling, and service of alcoholic beverages;
  - (c) safe driving programs;
  - (d) recognizing underage and intoxicated customers; and
  - (e) the history or aspects of a product's manufacturing process.

Seminars may be conducted at the premises of either the retailer or industry member. Nothing in this Rule shall be construed to authorize an

- <u>An</u> industry member to <u>shall not</u> pay the retailer's expenses in attending the seminar.
- (6) Tastings. Beer and wine tastings may be conducted in accordance with 14B NCAC 15B .0901 and .0902. Industry members shall conduct tastings in compliance with 14B NCAC 15B, Section .0900.
- (7) Labor for Displays. An industry member may provide personnel to construct a promotional product display on the premises of a retailer, and may move other products from the display area in accordance with per 14B NCAC 15C .0703.
- (8) Installations. The following items may be installed by an industry member at no charge to a retailer:
  - (a) point of sale advertising materials; and
  - (b) tapping accessories.
- (9) Bar Spending. An industry member may visit the premises of an on-premise retail account for the purpose of promoting its brands so long as:
  - (a) the visit is unannounced and not advertised; and
  - (b) a patron who refuses the industry member's offer to consume a product is offered a comparable beverage of his choice, either alcoholic or nonalcoholic.
- (10) Non-alcoholic Beverages. A malt beverage wholesaler who is also engaged in the business of selling non-alcoholic beverage products may engage in the accepted trade practices of the soft drink and snack food industries, so long as the sales and practices surrounding the nonalcoholic beverage merchandise are not used as an unlawful inducement to purchase malt beverages.

Note: Wine wholesalers selling non-alcoholic beverage merchandise are governed by the provisions of 27 C.F.R. CFR 6.101.

Authority G.S. 18B-100; 18B-203(b); 18B-207; 18B-1116(b).

## 14B NCAC 15C .0711 ACCEPTED TRADE PRACTICES; THINGS OF VALUE; RETAIL PERMITTEES

- (a) Items That Must Be Sold. The following things of value shall not be given, loaned or rented by any alcoholic beverage (which includes malt beverages, wines and spirituous liquors) industry member Malt beverage, wine, and spirituous liquor industry members shall not give, lend, or rent to a retail permittee, but may be sold sell to the retail permittee at the price paid for the item by the first industry member who acquires the item: following things of value:
  - (1) novelties, such as coolers, umbrellas, ice chests, beach towels, towels, and sports equipment, so long as the novelty item if the item has not been customized for a retail permittee with the retail permittee's name or logo;

- (2) glassware and cups, so long as the items have if the item has not been customized for a retail permittee with the retail permittee's name or logo;
- (3) carbon dioxide;
- (4) ice;
- (5) beer tapping accessories, including faucets, rods, vents, taps, hoses, washers, couplings, gas gauges, vent tongues, shanks, and check valves; and
- (6) menus that exceed the number of food items provided in pursuant to 14B NCAC 15B .1006(a)(3).
- (b) Items That May Be Provided at No Charge. <u>Industry members</u> may give, provide, loan, rent, or sell the The following things of value may be given, furnished, loaned, rented or sold by an industry member to a retail permittee:
  - (1) samples of malt beverage, wine wine, and spirituous liquor products in the following quantities:
    - (A) no more than three gallons of any brand of malt beverages;
    - (B) no more than three liters of any brand of wine; and
    - (C) no more than 50 milliliters of any brand of spirituous liquor.

<u>Industry members may only give samples Samples may be given</u> <del>only to a retail permittee who has not previously purchased those brands from the industry member within the previous calendar year.</del>

- (2) recipes, booklets booklets, and brochures for cooking with wine, malt beverages malt beverages, wine, or spirituous liquors as described in pursuant to 14B NCAC 15B .1006(a)(3). .1006(a)(3);
- (3) malt beverage, wine wine, and mixed beverage lists, in accordance with lists pursuant to 14B NCAC 15B .1006(a)(3). .1006(a)(3);
- (4) combination packaging, as provided in packaging pursuant to 27 C.F.R. CFR 6.93;
- (5) consumer specialty items such as bottle or can openers, cork screws, ash trays, shopping bags, individual can coolers, hats, caps, visors, t-shirts (without collars or buttons), or key chains. Such items may be given to retail permittees for distribution to consumers, or may be provided by industry member personnel directly to consumers at the retail permittee's place of business during visits that are not announced or advertised to consumers. Consumer specialty items shall not be customized for a retail permittee with the retail permittee's name or logo; and.
- (6) product displays, to include wine racks, bins, barrels, casks and shelving from which malt beverage, wine or spirituous liquor are displayed and sold, so long as:
  - (A) each display bears conspicuous and substantial advertising matter; and

- (B) the dollar limitations per brand do not exceed one hundred sixty dollars (\$160.00);
- (7)(6) point of sale advertising materials which have value only as advertising, so long as the pieces have not been customized for any individual retail permittee; and permittee.
- (8) retail permittee advertising specialty items as described in 14B NCAC 15B .1006(a)(4),so long as the items have not been customized for an individual retail permittee, and so long as the dollar limitations per brand do not exceed three hundred dollars (\$300.00) per year.
- (c) Point-Of-Sale Advertising Materials. Notwithstanding having a secondary value, the following items are considered to be point-of-sale materials and <u>an industry member is not required to submit need not be submitted by an industry member</u> for approval prior to use, so long as the items bear conspicuous advertising matter:
  - (1) clocks;
  - (2) lamps;
  - (3) lighted displays;
  - (4) blackboards;
  - (5) bulletin boards;
  - (6) dart board backgrounds;
  - (7) menu and price boards;
  - (8) tap standards;
  - (9) calendars;
  - (10) mirrors; and
  - (11) prizes offered in a consumer sweepstakes or contest pursuant to 14B NCAC 15C .0714(b). The prizes shall bear a sticker that shows it is the property of the industry member. Industry members shall place a sticker on prizes to show the prize is the property of the industry member. The prizes shall be picked up by the industry member shall pick up the prize at the conclusion of the sweepstakes or contest.
- (d) The provisions of 27 C.F.R. CFR 6.93 referenced in this Rule are incorporated by reference, but such incorporation does not include subsequent amendments. Copies of this regulation are available for inspection and copying as provided in 14B NCAC 15C .0401. reference including subsequent amendments and editions that may be accessed at https://www.ecfr.gov/current/title-27/section-6.93.
- (e) Nothing within in this Rule applies to ABC boards.

Authority G.S. 18B-100; 18B-105; 18B-207; 18B-1116(b).

## 14B NCAC 15C .0712 TRANSACTIONS WITH GOVERNMENT AND SPECIAL ONE-TIME PERMITTEES

(a) Permitted Activities. Notwithstanding the restrictions contained in 14B NCAC 15C .0709, the following activities by alcoholic beverage (which includes malt beverages, wines and spirituous liquors) malt beverage, wine, and spirituous liquor industry members are allowed, as described in this Rule, authorized to conduct the following activities in transactions with cities, counties, the state, or State, in transactions with nonprofit or political organizations that have obtained a Special One-Time

permit under the provisions of G.S. 18B-1002(a)(2) or (5), or <u>in</u> transactions with nonprofit organizations that do not hold an ABC permit:

- (1) sponsorships of festivals, concerts, fundraisers fundraisers, or special events cosponsored by the local government, the state State, or nonprofit or political organizations, including payments of advertising fees;
- (2) loaning or renting portable equipment to a local government, the state State, or a nonprofit or political organization so long as the equipment loaned or rented is for a single event of limited duration;
- (3) contracts to provide payment for permanent advertising on signs or scoreboards when the industry member has submitted a request for and received an exemption pursuant to G.S. 18B-1116(b); to legal@abc.nc.gov and received approval;
- (4) providing labor or employees to assist in the setting up or changing of draft beer kegs and equipment which has been loaned or rented pursuant to Subparagraph (a)(2) of this Rule;
- (5) loaning or renting previously approved aerial displays or outdoor inflatables inflatables, approved prior to the event by submission to legal@abc.nc.gov, for the duration of a special event;
- (6) loaning or allowing the use of refrigerated vehicles:
- (7) providing novelties, prizes prizes, or prize money to nonprofit organizations that have obtained a Special One-Time Permit;
- (8) providing cash contributions, product donations donations, and other consumer goods, provided on the condition that any donated product remaining after the event is not supplied provided by the Special One-Time Permittee to a regular retail permittee;
- (9) participation with a local government or the state State in the advertising of events cosponsored by the local government or state;

  State; and
- (10) accepting after the event is over, accepting, for cash or credit, the return of alcoholic beverages not sold, for cash or credit, after the event is over. sold.
- (b) Sponsorship/Advertising Agreements Restricted. No Industry members shall not enter a sponsorship agreement or advertising contract between an industry member and with a city, county, the state, State, or a Special One-Time permittee shall contain any agreement, either express or implied, where, either express or implied, that the industry member's products will be sold to the exclusion, in whole or in part, of other brands of alcoholic beverages offered by competitors.
- (c) Cosponsorship with Retail Permittee. In any promotion by an An industry member shall not promote or sponsor an event with a local government, the state, State, or a nonprofit organization in which there is cosponsorship by where a retailer other than the

local government or the state, <u>State has a cosponsorship unless</u> the industry member <u>shall obtain obtains</u> prior written approval from the Commission <u>at legal@abc.nc.gov and</u> as provided in 14B NCAC 15C .0715.

Authority G.S. 18B-100; 18B-207; 18B-1116(b).

#### 14B NCAC 15C .0713 TOURNAMENTS

- (a) General. Sponsorship by an An industry member may sponsor of a regional, statewide statewide, or national sports tournament, when the tournament is held on the property or premises of a retail permittee, is permissible permittee only if all of the following conditions are met:
  - (1) The tournament is promoted or sanctioned by the official governing body of the sport, or is promoted and sponsored by a bona fide nonprofit organization for the purpose of raising funds for a civic, scientific, eharitable charitable, or educational cause;
  - (2) An industry member does not give, rent, or loan

    No money, novelty items items, or other

    prohibited services services, or things of value

    are given, rented or loaned by an industry

    member to the retailer; and
  - (3) An industry member gives all All sponsorship money or fees and other money, fees, and things of value from the industry member are given to the official governing body of the sport or the nonprofit organization.
- (b) Advertising. An industry member may advertise via mass media or pay for the advertising of a tournament when the primary theme of the advertisement is the tournament and its purpose. purpose are the main theme. The naming of Citing the retailer's premises as the location of a tournament shall not be construed to be cooperative advertising in violation of 14B NCAC 15B .1005 of this Chapter when the retailer's tradename trade name is stated in substantially smaller typeface. typeface than the majority of the advertisement.
- (c) Sponsorship/Advertising Agreements Restricted. No industry member agreeing to sponsor a tournament shall enter into any agreement or contract, either express or implied, that a retailer or special one-time permittee will sell that industry member's products to the exclusion, in whole or in part, of other brands of alcoholic beverages offered by competitors.
- (d) Joint Sponsorships. An industry member shall not agree to cosponsor any a tournament with any a retail permittee unless the proceeds from the tournament are paid to a nonprofit civic, scientific, charitable charitable, or educational organization.
- (e) Prohibited Sponsorships. An industry member shall not sponsor or aid a retailer in the promotion of any a tournament held primarily to benefit the retailer, its employees, members members, or guests.

Authority G.S. 18B-100; 18B-207; 18B-1116(b).

### 14B NCAC 15C .0714 CONSUMER CONTESTS; SWEEPSTAKES

(a) General. <u>Malt beverage</u>, wine, and spirituous liquor industry members may offer consumer Consumer contests or sweepstakes

may be offered by an alcoholic beverage (which includes malt beverages, wines and spirituous liquors) industry member so long as only if no purchase is required. Entry forms may be attached to or part of an alcoholic beverage label or package so long as alternative methods of entry are available to the consumer by means of a tear pad of entry forms is available to the consumer at the point of purchase or by means of electronic entry forms are available on the internet.

(b) Point-of-Sale Permissible; Restriction on Retailer Involvement. An industry member may provide to a retailer point-of-sale advertising materials promoting a sweepstakes or contest. An industry member shall not offer or promote any a sweepstakes or contest in conjunction with any a retailer as a cosponsor or as the provider of any a prize. No prizes may be drawn or awarded on the premises of any a retailer. Officers, employees employees, and representatives of industry members and retailers are excluded from participating in a consumer sweepstakes or contest offered under this Rule.

Authority G.S. 18B-100; 18B-207; 18B-1116(b).

## 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 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 no greater than five years previously in previous years, if so long as the sponsorship activities engaged in by of the industry member have not changed; and
  - (4) sponsorships of individual amateur sports teams, when:
    - the services or things of value provided by the industry member are given to benefit the individual team and its members;

#### **PROPOSED RULES**

- (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:
  - 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
  - the <u>event promotion</u> is a bona fide <u>promotional</u> <u>event.</u> 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; found at
    <a href="https://www.abc.nc.gov/legal/laws-rules-and-resources">https://www.abc.nc.gov/legal/laws-rules-and-resources</a>;</a>
  - (2) submit copies of broadcast and print advertisements; and
  - submit samples of advertising pieces and costs of items.
- (d) Notification to Wholesaler. A <u>malt beverage or wine</u> manufacturer, <u>importer importer</u>, or nonresident vendor <del>of beer or wine</del> 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 <u>state</u> <u>State</u> if that wholesaler <u>is or</u> will be participating in the promotion <u>in any manner</u>, including the distribution of promotional materials.
- (e) Approvals Restricted to Industry Members. No <u>Industry member</u> approval for <del>any</del> a promotional activity <del>by an industry member</del> shall not be granted to a special one-time permittee, retailer, advertising agency, <del>broadcaster broadcaster</del>, 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.

Authority G.S. 18B-100; 18B-105; 18B-207; 18B-1116.

## TITLE 15A – DEPARTMENT OF ENVIRONMENTAL QUALITY

**Notice** is hereby given in accordance with G.S. 150B-21.2 that the Environmental Management Commission intends to adopt the rule cited as 15A NCAC 02Q .0114, and amend the rules cited as

15A NCAC 02Q .0501, and .0507. This is a republication of text published in Volume 40. Issue 08.

Link to agency website pursuant to G.S. 150B-19.1(c): https://www.deq.nc.gov/about/divisions/water-resources/water-resources-commissions/environmental-management-commission/emc-proposed-rules

**Proposed Effective Date:** Pending on the first day of a month that is 60 days after the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the U.S. Environmental Protection Agency has approved the amended rule into the North Carolina State Implementation Plan, pursuant to S.L. 2023-134, Section 12.11, as amended by S.L. 2024-1, Section 4.13.

#### **Public Hearing:**

Date: December 2, 2025

Time: 6:00 p.m.

**Location:** Ist Floor Training Room (#1210), DEQ Green Square Office Building, 217 West Jones St., Raleigh, NC 27603 or virtually using Cisco WebEx, Digital Hearing Link: https://tinyurl.com/Pre-PermittingConstruction

Event password: NCDAQ

Audio conference: To receive a call back, provide your phone number when you join the event, or call the number below and enter the access code. US TOLL +1-415-655-0003, Access code: 2437 902 8679

If you wish to speak at the digital public hearing, you must register, provide the required information, and follow instructions on ways to join the public hearing. Registration must be completed by 4:00 PM on December 2, 2025. To register, please click the following link: https://forms.office.com/g/ZUPPSLbhCF

\*For instructions on ways to join the public hearing, please refer to the following link: https://files.nc.gov/ncdeq/Air%20Quality/rules/hearing/instructi ons-on-ways-to-join-webex.pdf https://www.webex.com/test-meeting.html

\*If you have technical difficulties, the following automated voicemail has been set up to receive your verbal comments: 919-707-8430

**Reason for Proposed Action:** This is a republication of the proposed rule actions previously published in Volume 40, Issue 08 of the North Carolina Register, published on October 15, 2025. The only change is to extend the end of the comment period until December 31, 2025.

To receive comments on the proposed adoption of 15A NCAC 02Q .0114, Activities Allowed Prior to Permit Issuance, and amendments to 15A NCAC 02Q .0501, Purpose of Section and Requirement for a Permit, and .0507, Application, and the accompanying regulatory impact analysis (RIA). 15A NCAC 02Q .0114 is proposed for adoption and 15A NCAC 02Q .0501 and