
Coates' Canons Blog: Serving Alcohol at City or County Events: What are the Rules?

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Every now and then a city or county wants to serve beer and wine, or maybe even mixed drinks, at an official event. It might be a retirement party in the council chambers or perhaps a reception for a new citizens committee or a visit by a delegation from a sister city. Sometimes someone else, say a local business group, is using city or county space for its own meeting and wants to make beer and wine available to the participants. Is there any prohibition on alcohol use on city or county property?

The answer is no. There is no prohibition, and for the most part it is okay have alcohol at city or county events, and on city and county property. But exactly what you can do depends on the kind of alcohol. The answers are simpler for beer and wine than for hard liquor.

Key differences in the rules: hard liquor vs. beer and wine; sale vs. possession

The general rule to remember is that in North Carolina it is okay to possess, serve and consume beer and wine anywhere and anytime unless there is a statute specifically prohibiting it. For spirituous liquor — the bourbon and gin and vodka that goes in mixed drinks — the rule is just the opposite. Hard liquor may be possessed, served and consumed only where the law specifically says it is allowed.

Notice that both of those statements are about possessing, serving and consuming alcohol, not about sales. No alcohol of any kind may be sold anywhere in the state unless the sale of that kind of alcohol is lawful in that city or county and the seller has the proper permit from the state Alcoholic Beverage Control (ABC) Commission.

Now, to the specifics about local government events and property.

Serving beer and wine

There is nothing in the ABC law, Chapter 18B of the General Statutes, that prohibits the possession, service or consumption of beer and wine on city or county property. Thus, under state law a city or county may serve — but not sell — beer and wine at its own events on its own property, or may allow others who are using the property to do so. The one hitch is that under G.S. 18B-300(a) a city or county by ordinance may prohibit possession of beer and wine on city or county property. If your local government has such an ordinance, then, depending on the wording, it could keep the city or county from having alcohol at its own events.

Selling beer and wine

Selling beer or wine is a different subject. First, the sale of beer and wine would have to have been approved in a local referendum for the city or county to even think of getting into that business. Second, the facility in which the sales are to be made would have to be a kind of establishment that qualifies for a permit under G.S. 18B-1001(1) or (3). Cities and counties generally do not operate restaurants and hotels, but they may have cafes or snack bars at local parks and those kinds of places can get permits. A city or county also may have a convention center or community theater that is eligible for a permit. And some local governments own and operate ball parks which would qualify as retail businesses for beer and wine permits.

Even without regular ABC permits to sell beer and wine there is a circumstance when the city or county can use alcohol to make money on a one-time basis. Under G.S. 18B-1002(a)(5) a one-time permit may be issued to a local government to serve beer, wine and even mixed drinks at a ticketed fundraising event. Let's say a county wanted to raise money for a new county historical museum and decided to have an auction. The county could sell tickets to that fundraiser and with the

one-time permit from the ABC Commission could serve beer, wine, and mixed drinks to the people who attended. It's not a direct sale of alcohol, but the local government profits from the tickets.

Mixed drinks

Except for that ticketed fundraiser, a city or county's ability to serve mixed drinks is limited by the rule mentioned earlier, that spirituous liquor may be possessed and consumed only where specifically authorized by law. A city or county can get in the business of selling mixed drinks only if liquor by the drink has been approved for the community and the local government operates a facility that qualifies for a mixed drink permit. The kinds of places that can get mixed drink permits are more limited than for beer and wine, but convention centers and community theaters qualify. And if a city or county operates a 36-seat restaurant it is eligible for a mixed drink permit. As with other ABC permits, the mixed drink permit comes with a diagram of the approved premises, and sales are lawful only within that area. Thus, if a city operates a convention center and has beer, wine, and mixed drink permits, those permits will define the part of the building where sales are allowed and it still will be unlawful to sell elsewhere in the building.

Renting space and special occasion permits

What about allowing others to have alcohol on city or county property? Because the possession, service and consumption of beer and wine on local government property is lawful and does not require a permit, a city or county can allow anyone using its space to serve beer and wine, or can tell them they cannot do it.

There also is a means to allow others to serve — not sell — mixed drinks on city or county property. Say a citizen wants to use a large room in a city or county building for a wedding reception, or a local nonprofit wants to hold a raffle there, or a company wants to have a board meeting with a catered dinner. With the permission of the local government property owner, that person or organization could apply for and get a limited special occasion permit from the ABC Commission under G.S. 18B-1001(9). Such a permit authorizes them to bring spirituous liquor to that location for that event and serve it to the guests or participants.

There is another variation of the special occasion permit in G.S. 18B-1001(8). Using that subsection of the statute, the city or county itself could get a special occasion permit for a qualifying facility (say a restaurant or other eating establishment, or a convention center) owned by the local government and then it could allow the person renting space at that facility for a particular event to bring in spirituous liquor to serve to guests.

Conclusion

If a city or county wants to serve beer or wine at one of its functions, or wants to allow others using government space to do so, it usually is lawful and requires no ABC permit. Selling beer and wine, on the other hand, always depends on a permit, as does both serving and selling mixed drinks. And the number and kind of local government facilities that might be eligible for such permits is limited, especially for mixed drinks.

Links

- abc.nc.gov/
- www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=18b
- www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=18b-300
- www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=18b-1001
- www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=18b-1002