

**RESOLUTION OF THE WAKE COUNTY BOARD OF COMMISSIONERS
IN SUPPORT OF THE CURRENT ALCOHOLIC BEVERAGE CONTROL SYSTEM FOR THE SALE OF LIQUOR**

WHEREAS, the citizens of the Wake County voted to permit the sale of liquor through the establishment of an ABC Board, which is a part of the North Carolina's control system for the sale of spirituous liquors;

WHEREAS, House Bill 971 (Modern Licensure Model for Alcohol Control) was filed on April 25, 2019 and this bill privatizes the retail sale and wholesale distribution of liquor, allows a minimum of 1,500 permits to be issued to any business that sells food (grocery stores, convenience stores, pharmacies, variety stores, etc.) or to any "retail business", with additional numbers of permits available for issuance based on population growth, with retail liquor sales authorized between the hours of 7 a.m. and 2 a.m., and with those businesses allowed to ship liquor directly to individuals in or out of the State;

WHEREAS, North Carolina's local ABC boards operate about 423 retail stores, balancing access to liquor and generating local revenue while maintaining control;

WHEREAS, NC's Department of Health and Human Services' website notes that **excessive alcohol use cost NC more than \$7 Billion** in 2010, that excessive alcohol use is the third leading preventable cause of death in NC, and that according to Centers for Disease Control's Community Guide on Excessive Alcohol Use strategies to reduce excessive drinking include maintaining state control of alcohol sales and continuing to limit the number of outlets selling and distributing alcohol;

WHEREAS, the General Assembly's nonpartisan Program Evaluation Division (PED) was directed to examine whether other systems for alcohol beverage control, including privatized systems, are appropriate for North Carolina, specially to include the State of Washington, which recently changed its beverage control system from state government control of wholesale and retail control of spirituous liquor to a licensure model;

WHEREAS, The PED Report, "Changing How North Carolina Controls Liquor Sales Has Operational, Regulatory, and Financial Ramifications", released on February 11, 2019: (1) did not recommend privatization, (2) found that among the southeastern states, NC collects the most revenue per gallon, has the lowest outlet density and has the second lowest per capita consumption; and (3) the PED expects retail liquor consumption to increase by 20% with privatization based on 1,000 expected outlets.

WHEREAS, for fiscal year ending 2018, local ABC boards distributed \$430,635,861: County-City Distributions \$80 million; State General Fund \$323 million; Local Alcohol Education/Treatment \$13 million; Local Law Enforcement \$8.8 million; and Rehabilitation Services \$5 million; and local ABC boards also paid \$17.7 million for the operation of the ABC Commission/Warehouse.

WHEREAS, North Carolina is unique as it allows communities to vote to establish local ABC boards for the sale of liquor in their communities, with liquor profits distributed back to those communities, thereby reducing the need to increase local property taxes.

WHEREAS, the citizens of Wake County, in voting to permit the operation of ABC stores, did not vote to allow spirits to be sold in private retail liquor stores and did not vote to allow spirits to be sold retail outlets where beer and wine are sold;

WHEREAS, No State funds are spent to distribute or sell liquor as the state and local operation of the ABC system is receipt supported;

WHEREAS, Of the 50 states, North Carolina ranks 44th lowest in consumption per capita and 7th highest in revenue per capita and NC's ABC system accomplishes both revenue and public health, welfare and safety objectives;

WHEREAS, privatization will result in a marked increase in the number of outlets, longer hours of sale, greater advertising and more promotion, significantly more consumption, and increased societal costs;

WHEREAS, local revenue from ABC stores operations is important;

WHEREAS, through the sale of alcoholic beverages, \$7,000,000 was returned to Wake County Government and an additional \$4,466,836 was returned to the Wake County municipalities; and

WHEREAS, through the sale of alcoholic beverages, \$4,799,896 was given to non-profit organizations that treat, research, or educate the public on alcohol or substance abuse per North Carolina General Statute 18B-805(H); and

WHEREAS, local control over the sale of liquor is an important function.

NOW THEREFORE, BE IT RESOLVED that Wake County desires to retain North Carolina's current control system for the sale of liquor and believes that privatization of liquor will lead to many adverse effects.

Adopted this 3rd day of June 2019

Jessica N. Holmes
Chair, Wake County Board of Commissioners