

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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HOUSE BILL 190\*

Short Title: No Purchase of Tennessee Liquor.

(Public)

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Sponsors: Representatives Beall, N. Crawford, Greenwood, Nesbitt, Ramsey; Justus and Ligon.

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Referred to: Government.

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February 9, 1989

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT LOCAL ALCOHOLIC BEVERAGE CONTROL BOARDS  
FROM PURCHASING TENNESSEE SPIRITUOUS LIQUOR.

The General Assembly of North Carolina enacts:

Whereas, the State of Tennessee has imposed water color standards on rivers flowing into Tennessee which are technologically impossible for the plant of Champion International located in Canton, North Carolina, to meet; and

Whereas, the imposition of these color standards will require Champion International to terminate or severely decrease its production at this plant; and

Whereas, Champion, North Carolina, and Tennessee, by and through the Governors and Lieutenant Governors of North Carolina and Tennessee, negotiated and agreed upon a compromise whereby Champion International would be granted a variance, and Champion International would invest three hundred million dollars (\$300,000,000) in modernizing its plant and substantially improving the color of the water; and

Whereas, Tennessee has reneged on this compromise agreement without regard to the enormous devastation to North Carolina that the closing of the plant would cause by the direct and indirect loss of thousands of jobs and markets for raw materials and supplies; and

Whereas, Tennessee should realize that decisions harming the economy of North Carolina have economic consequences to Tennessee; Now, therefore,  
The General Assembly of North Carolina enacts:

Section 1. G.S. 18B-701 reads as rewritten:

1 **"§ 18B-701. Powers of local ABC boards.**

2 A local board shall have authority to:

- 3 (1) Buy, sell, transport, and possess alcoholic beverages as necessary for  
4 the operation of its ABC stores; provided, however, no local board  
5 may buy spirituous liquor that is purchased from a Tennessee vendor  
6 or that is manufactured in Tennessee;  
7 (2) Adopt rules for its ABC system, subject to the approval of the  
8 Commission;  
9 (3) Hire and fire employees for the ABC system;  
10 (4) Designate one employee as manager of the ABC system and determine  
11 his responsibilities;  
12 (5) Require bonds of employees as provided in the rules of the  
13 Commission;  
14 (6) Operate ABC stores as provided in Article 8;  
15 (7) Issue purchase-transportation permits as provided in Article 4;  
16 (8) Employ local ABC officers or make other provision for enforcement  
17 of ABC laws as provided in Article 5;  
18 (9) Borrow money as provided in G.S. 18B-702;  
19 (10) Buy and lease real and personal property, and receive property  
20 bequeathed or given, as necessary for the operation of the ABC  
21 system;  
22 (11) Invest surplus funds as provided in G.S. 18B-702;  
23 (12) Dispose of property in the same manner as a city council may under  
24 Article 12 of Chapter 160A of the General Statutes; and  
25 (13) Perform any other activity authorized or required by the ABC law."

26 Sec. 2. This act is effective upon ratification and applies to any contracts for  
27 the purchase of spirituous liquor entered into after that date and to any existing contracts  
28 where the local board is not obligated to make any future purchase.