

NORTH CAROLINA'S ALCOHOLIC BEVERAGE CONTROL SYSTEM

*Liberating consumers and
distillers from oppressive
government control*



SPOTTING

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Introduction: A tale of two enterprising Tar Heels

Bob has a bumper crop of North Carolina sweet potatoes. How can he get them to a consumer? Bob's got a lot of options.

Maybe Bob knows some local grocers and restaurateurs who'll sell his produce. He could contract with food handlers to deliver his sweet potatoes to other grocers. He might set up a stand at a local farmer's market. He could set up his own roadside stand. Wherever he is, Bob can offer samples to prospective buyers. Bob could even become a member of the N.C. Department of Agriculture & Consumer Service's "Got to Be NC" program, where his sweet potatoes could be listed and accessible to any consumer, grocer, or restaurant looking to showcase North Carolina products.¹

Amber has a batch of North Carolina rum. How can she get them to a consumer? Amber faces a lot of roadblocks.

First, she has to get product recognized by the North Carolina Alcoholic Beverage Control (ABC) Commission. Then she has to persuade commissioners to think her rum will meet their profit threshold, so that they will put it on their official list of approved products. If it's not listed, ABC stores can't sell it. Once it's listed, she has to contact each of the 433 ABC stores to urge the managers to carry her product.

Amber can't sell her rum at farmers' markets or fairs. She can't sell bottles or even drinks away from her distillery. She can't even hold tastings of her rum at ABC stores. She can't distribute any of her products herself. If someone visits her distillery, Amber may offer a very limited amount of tastings and sell a limited number of bottles per visitor per year. But she still can't serve drinks or cocktails to her visitors.

The underlying problem: Total government control of a legal product

How did we get here? Like beer and wine and sweet potatoes, liquor is a legal product. The North Carolina State Constitution protects people's self-evident right to

The North Carolina State Constitution protects people's self-evident right to "the enjoyment of the fruits of their own labor"...

"the enjoyment of the fruits of their own labor" and declares "monopolies are contrary to the genius of the free state and shall not be allowed."²

So why does the state force Amber to deal with a government monopoly? Why does North Carolina make distillers go through a process less like what farmers face here and more like what farmers face in a socialist dystopia like Venezuela?³

The answer goes back to the end of Prohibition in 1933 and North Carolina policymakers' worry that private retailers had financial incentive to encourage people to drink more.⁴ The Alcoholic Beverage Control Act passed in 1937 to make North Carolina a "control" state for liquor. A control state puts the government in charge of the distribution and retail of liquor products. There are 17 control states left in the United States.

Most U.S. states are "license" states, where the distribution and retail of liquor are handled by private ventures that receive licenses or permits from the state. North

The common-sense answer is for North Carolina to become a license state for liquor, just as it is for beer and wine.

Carolina has that kind of system for *other* types of alcoholic beverages: beer and wine.

Not for liquor, however. After a distiller produces a bottle for consumption, it goes through several layers of government bureaucracy before it can reach a consumer. It must first be approved by the ABC Commission, then find storage in the ABC warehouse, then be ordered by a local ABC board, and then be offered for sale by that board's ABC store at the price set by the ABC Commission.

If some cog in the bureaucracy says “No” along the way, the distiller is out of luck, and so are consumers.

In September 2018, *Carolina Journal* spoke with several local distillers roadblocked by someone in the ABC system. Here are some of their experiences:

- An ABC board delisted a product without even informing the distiller.
- An ABC board refused to list a distiller's product not because it was low quality, but “because they feel like our other stuff's not selling fast enough.”
- An ABC official told a distiller, “I'm not carrying your product unless a restaurant orders it.”
- One distiller said the ABC system doesn't have “the capacity to keep us all on the same playing field, and they're not looking at all the factors.”
- One distiller said, “We can't do any cocktails, we can't go out and market. Not to be able to do a tasting in ABC stores so at least the managers can taste and understand ... it's almost debilitating.”⁵

Total government control leaves these small business owners with no other option but to accept the answers

received from the ABC system, however arbitrary or unfair they may seem.

Where NC deviates even from other control states: Local ABC boards

Under our ABC system, there is one government-approved list of liquor products, one government-set price per product, and one state-owned warehouse (with another under lease). Then there are 170 local government ABC boards and 433 ABC stores.

North Carolina is the only state with local government control of the retail sales of liquor. These local boards present a thorny problem to the ABC system — but also to reforming that system.

The ABC system enjoys a side benefit from total government control of liquor: *monopoly revenues*. Systemwide, the profit margin is a whopping 11.2 percent.⁶ But in counties with several municipal ABC boards rather than a single county board,⁷ the profit margins are much lower.

A February 2019 report on North Carolina's control of liquor by the Program Evaluation Division (PED) of the N.C. General Assembly highlighted three counties with multiple boards. Brunswick County, with nine boards operating 11 stores, had a county profit of 7.9 percent; Columbus County (five boards, five stores), 5.6 percent; Robeson County (seven boards, eight stores), 2.6 percent.⁸

By way of comparison, in a competitive market, the profit margin of private beer, wine, and liquor stores nationally in 2017 was 2.4 percent.⁹

There are 33 counties with more than one ABC board, according to PED. To a government monopoly, they are less efficient and less profitable because their stores are too close to each other. PED recommended consolidating them to make the ABC system's profit margin even higher: “To increase the profitability and efficiency of the ABC system, the General Assembly should direct local ABC boards located in counties with two or more boards to consolidate local ABC operations and establish a merged board.”¹⁰

North Carolina's Administrative Code on Alcoholic Beverages Contains

1,009

Regulatory Restrictions
and is

75,870

Words Long

Source: John Locke Foundation Research

Having more options might be good for consumers, but it lowers the government's profit margin.

Hurting choice, competition, and job creation

Maximizing the government's profit margin not only cuts consumers' choices, it also hurts distillers' chances. The ABC Commission sets profit thresholds for products it lists, including N.C. distillers' products (according to a November 2018 email from the ABC Commission to suppliers, it was "\$15,000 for vodkas, \$10,000 for other, \$5,000 for N.C. products, \$1,000 for boutique").¹¹ If the product can't make that profit threshold, it doesn't make the list and can't be sold.

It also stands in the way of competition and job creation. In a competitive market, a profit margin of 11.2 percent is a clear welcome sign for more sellers. The very thing the government fears when it owns all the stores is what consumers, producers, and workers like in a competitive market: *more outlets competing*.

PED estimates that the current ABC system is preventing a sizeable amount of sales by keeping retail stores limited. More outlet stores would increase sales of liquor by 20 percent, they estimate.¹² That's one-fifth of current sales, thwarted. It's a clear admission that North Carolina consumers are frustrated by the system.

Does that mean alcoholic beverage control is working?

Only if you consider liquor the *only* alcoholic beverage. Government limiting liquor sales doesn't seem to be pushing North Carolina liquor drinkers to abstinence. Evidence suggests it's redirecting them to more beer and wine consumption.¹³

Maximizing government revenue?

As a government monopoly, the ABC system generated over \$1.1 billion from liquor sales in fiscal year 2017. To some, that is reason enough to keep the system. But is it?

Most of that money isn't "profit." Most of it went towards *business expenses*: paying for the cost of the goods sold and the expense of operating the boards, stores, and warehouse.

A much smaller portion went to the General Fund and other state and local government uses: just 38.1 percent, or \$430.6 million portioned across several funds (see Table 2). The portion that went to county/city distributions was only 7.1 percent, or \$80.3 million.¹⁴

Those amounts stem mostly from taxes and surcharges in state law. They'd be in law *regardless* of what kind of system North Carolina uses for liquor distribution and sales.

This revenue generation is a real sticking point preventing reform. But the state and local governments could *maintain* alcohol revenues by setting licensing fees and adjusting excise taxes and other taxes on liquor sales (See appendix). To accomplish this, PED projected a slight

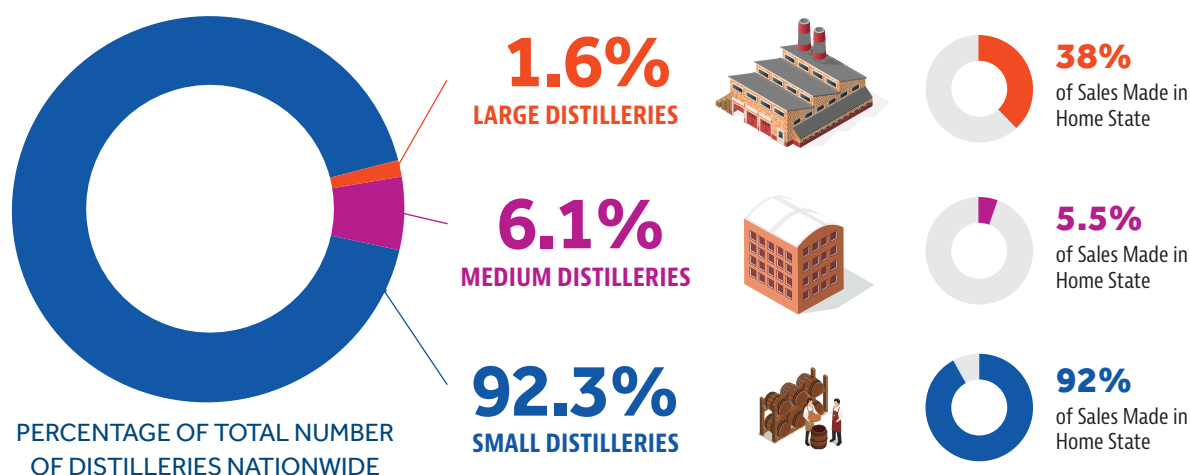
Table 1: Overregulation in North Carolina's Alcohol Industry

Some examples of what North Carolina's control system prohibits, compared with other states

WHAT WE CAN'T HAVE IN NC	THEY CAN IN OTHER STATES
Taverns, bars, etc. can't hold happy hours and can't offer drink specials like "ladies night" or otherwise favor a select group of people.	42 states and D.C. allow happy hours, including all other Southeastern states; NC is one of only 8 states that prohibit them. ^a
Taverns, bars, etc. can't offer drink promos like 2-for-1, buy 1/get 1 free, buy 1 at regular price and get the next one for a nickel, buy a meal and get a free drink, etc. ^b	At least 18 states (including Georgia, Florida, Mississippi, and West Virginia) do not prohibit drink specials and promotions. ^c
Individuals under 21 can't consume alcohol in private with parental consent.	29 states allow this practice, including Virginia, South Carolina, Georgia, Maryland, Mississippi, and Louisiana. ^d
Distilleries can't hold tastings at ABC stores.	Most other states allow in-store liquor tastings, including every other Southeastern state except Florida and Georgia. ^e
Distilleries can't allow alcohol consumption on their premises (except for limited tastings) and can't serve mixed drinks (many customers prefer mixed drinks, even to sample, rather than straight liquor).	At least 37 states allow distilleries to offer on-site consumption, many of which can offer mixed drinks (including every other Southeastern state except Florida, Mississippi, and West Virginia). ^f
Distillery visitors can't purchase more than 5 bottles in a calendar year.	46 states allow their distilleries to sell more to visitors on an annual basis (including every other Southeastern state except Mississippi), and only 4 states are more restrictive of distillery sales in a calendar year. In states that place limits on distillery bottle sales to individuals, those limits generally are on a per-day, not per-year, basis. ^f
Tastings at distilleries can't exceed 1.5 ounces total and can't exceed 0.25 ounce of any one product being tasted.	40 states allow distilleries more freedom in offering tastings to customers, including every other Southeastern state except Georgia and Virginia (which also limit them to 1.5 ounces). Only 5 states are more restrictive than North Carolina. ^f
Distilleries can't sell bottles at farmers' markets or fairs.	At least 16 states allow their distilleries to sell bottles at farmers' markets or fairs, including Virginia, D.C., Maryland, and Alabama. ^f
Distilleries can't hold for-profit events at their sites.	At least 26 states allow their distilleries to hold for-profit events, including South Carolina, Tennessee, D.C., Maryland, West Virginia, Kentucky, Alabama, and Louisiana. ^f
Distilleries can't hold other alcohol licenses.	At least 29 states' distilleries can hold other licenses, including South Carolina, D.C., Maryland, Kentucky, Alabama, and Louisiana. ^f
Breweries can't produce more than 25,000 barrels of beer per year without having to contract with a distributor.	Of the 36 states that allow breweries to self-distribute, 24 states give breweries more freedom than North Carolina, including South Carolina, Georgia, Tennessee, Virginia, and West Virginia. Of those 24 states, 16 don't have distribution limits, while 8 have distribution limits higher than 25,000 barrels, ranging from 30,000 to 300,000 barrels). ^g
Distilleries can't sell bottles or drinks off-site.	At least 22 states let distilleries sell bottles off-site, and 21 states let them sell drinks off-site, including South Carolina, Tennessee, Virginia, D.C., Maryland, Alabama, and Louisiana. ^h
Distilleries can't self-distribute their products.	At least 21 states , including some control states, allow their distilleries to self-distribute, including Georgia, D.C., Maryland, and Louisiana. ^h

- a. "Alcohol Beverage Pricing: Drink Specials," Alcohol Policy Information System (APIS), a project of the National Institute on Alcohol Abuse and Alcoholism, National Institutes of Health, <https://alcoholpolicy.niaaa.nih.gov/apis-policy-topics/drink-specials/2>.
- b. Nathaniel Ralstin, "Happy Hour Laws," Issue Brief No. 7, Traffic Resource Center for Judges, an initiative of the National Center for State Courts (NCSC), July 2014, <https://www.ncsc.org/~media/Microsites/Files/traffic-safety/Issue%20Brief%207%20Happy%20Hour.ashx>.
- c. "Alcohol Beverage Pricing: Drink Specials," APIS.
- d. ProCon.org, "45 States That Allow Underage (under 21) Alcohol Consumption," ProCon.org, March 10, 2016, <https://drinkingage.procon.org/view.resource.php?resourceID=002591>. Eight states allow individuals under 21 to consume alcohol with parental approval even on alcohol-selling premises.
- e. "Changing How North Carolina Controls Liquor Sales," PED.
- f. "State Spirits Rules and Regulations," American Craft Spirits Association (ACSA), 2017, accessible at <https://americancraftspirits.org/education/research>.
- g. "Self-Distribution Laws," American Brewers Association, accessible at <https://www.brewersassociation.org/government-affairs/laws/self-distribution-laws>.
- h. "State Spirits Rules and Regulations," ACSA.

Most Distilleries are Small, Local Ventures, and Nearly All of Their Sales Take Place in Their Home State



Source: American Craft Spirits Association

increase in the state excise tax from 30 to 33.6 percent and adding a local excise tax of up to 12 percent (offset some by losing the bailment surcharge and fee and the local government and local board markups).¹⁵

Overregulation and anticompetitive restrictions

Every state has its own unique twists when it comes to regulating alcohol. The range of policy quirks across the 50 states and the District of Columbia (D.C.) means there's no single benchmark state for alcohol regulation. States make different choices in how to regulate different areas, whether more free or more restrictive.

Beyond its ABC system and control of liquor, North Carolina's extensive regulation of alcoholic beverages requires an immense stack of bureaucracy. Chapter 18B of the North Carolina General Statutes, regulating alcoholic beverages, fills 123 pages. On top of that, the North Carolina Administrative Code devotes at least 143 pages containing 1,009 regulatory restrictions and 75,870 words on the alcoholic beverage industry.¹⁶

Sometimes other states can point North Carolina policymakers to a better way. (See Table 1)

Friends and neighbors: Distilleries depend on local consumers to survive

Overregulation isn't just a nuisance. For small businesses like North Carolina distilleries, it can spell the difference between business life and death.

The distillery industry here was erased by state prohibition in 1909, like the beer and wine industry. But breweries and wineries returned faster and have grown much quicker under a license system than distilleries have under strict government control. As of last count, there were 168 wineries and 304 breweries in North Carolina.

Distilleries didn't start returning to North Carolina until 2005. As of September 2018, the state had only 63 active distilleries.

Most distilleries rely almost exclusively on sales within their home state (see chart).¹⁷ When North Carolina places so many restrictions on distilleries trying to reach customers in their own state, it's depriving them of their vital, natural consumer base. This is Amber's problem: her own state is making it hard for her business just to survive, let alone innovate and grow.

The answer: Become a license state

Total government control over the price, distribution, and sales of a legal product is something you would expect in countries like Venezuela. It's not something you'd expect in North Carolina, a state proud to be "First in Freedom." It's far from what the state constitution calls "the genius of a free state."

Also, North Carolina law governing alcoholic beverages varies widely according to *kind* of alcoholic beverages. The state places one kind of alcoholic beverage (liquor) under total government control. For the others, beer and wine, North Carolina uses a license system.¹⁸

The common-sense answer to this is for North

Table 2: Just 38% of ABC Money in 2018 Went to Government Purposes

REVENUES TRANSFERRED TO	AMOUNT (PERCENT OF TOTAL ABC MONEY GENERATED)
General Fund	\$323.4 million (28.6%)
County/City Distributions	\$80.3 million (7.1%)
Local Alcohol Education	\$13.0 million (1.2%)
Local Law Enforcement	\$8.8 million (0.8%)
Counties—Rehabilitation	\$3.2 million (0.3%)
Dept. of Health and Human Services	\$1.8 million (0.2%)
Total	\$430.6 million (38.1%)

Note: Numbers do not sum due to rounding

Carolina to become a license state for liquor, just as it is for beer and wine.

It's a long-overdue reform with evident benefits, though there are questions to answer.

How will we replace ABC system revenues?

That is *the* big question whenever ABC reform is discussed. We forget temporarily that the system was set up to *control liquor sales, not maximize government revenue*. And the ABC Commission's use of phrases like "billion dollar ABC revenue" makes this seem more irreplaceable than it is.¹⁹

As explained, most of the money generated in the ABC system covers business expenses. The *actual* amount in revenues that would need to be replaced is only *about 38 percent* of the money the ABC system generates.

Table 2 shows how that smaller portion of ABC money transferred to governments is segmented.

Revenue replacement is not just possible – it's already built in

ABC money to the General Fund derives from the state excise tax, the mixed beverage and guest room surcharges, and the state sales tax.²⁰ These taxes and surcharges exist in state law and flow to the N.C. Department of Revenue. They will remain in place *even if the state switches to a licensing system*.

Under PED estimates, state government revenue could be maintained by adjusting the state excise tax on liquor slightly, to 33.6 percent from 30 percent.²¹

Other governments have transitioned from control without harming their revenues. Alberta, Canada

opened retail sales of alcohol to independent stores in 1994 with a new excise tax to hold province revenues harmless. Revenues *increased*, and the excise tax had to be lowered.²²

The state of Washington became a license state by referendum in 2011. Washington had the nation's highest excise taxes and fees on spirits as a control state, and it still does as a license state. Similar to Alberta's experience, Washington's liquor taxes and fees have been falling since 2014,²³ while their impact on state revenues has been called a "*windfall*."²⁴

How do we replace local government revenues?

Supporters of the control system worry about a loss of local government transfer funds, but they are only a small portion of ABC monies — just 7 percent of ABC system revenue.

If the state modernizes and adopts a license system, how would we hold harmless local government revenues? PED estimates this could be done by replacing the local government markup of 3.5 percent with a local government excise tax of 12 percent.

How well a 12 percent excise tax would replace local government revenues depends on the local ABC board's contribution. Some local governments would see large increases. The more efficient boards consume smaller proportions of their revenues to fund their operations. This means they return more funds to their communities, which would be harder to replace with an excise tax of 12 percent. PED's estimate assumes 20 percent growth in sales. (See appendix.)

“North Carolina’s state constitution favors free enterprise and opposes monopolies. It’s past time to end its own government monopoly on liquor.”

Giving local governments an option to increase the local excise tax could smooth this difference. A higher local excise tax would also limit growth in liquor purchases in those communities.

Local governments would also reap one-time windfalls from the sales of ABC stores.

Won’t there be adverse impacts on ALE and local law enforcement?

This is another big question whenever ABC reform is discussed. It is based on the system’s founding rationale to control liquor sales. Will removing government control of liquor sales lead to a significant increase in underage drinking, underage binge drinking, DUIs, or other alcohol-related problems? If so, it would create problems for Alcohol Law Enforcement (ALE) or local law enforcement.

The question assumes again that liquor is a different kind of alcohol from beer and wine. But think about what a *small subset* of the state’s alcohol consumption is actually being discussed. Consumer purchases at ABC stores are of *bottles for off-premise consumption*. The limited number of stores are open Mondays through Saturdays 9 a.m. till 9 p.m.²⁵

Compare that with all the other opportunities for alcohol consumption in North Carolina. Consumers can obtain *drinks* of beer, wine, and even liquor-by-the drink at a wide range of private ventures (taverns, bars, restaurants, grocery stores, convenience stores, specialty shops, even pharmacies and other places) for *on-premise consumption* as well as make purchases for off-premise consumption. And they have this access every day of the week from 7 a.m. most days (either 10 a.m. or noon on Sundays) on up till 2 a.m.²⁶

From that view, it doesn’t seem that ALE or local law

enforcement should see a significant change in problem consumption.

Furthermore, research into these concerns has not found statistically significant²⁷ differences between control states and license states with respect to underage drinking, underage binge drinking, DUIs, or other alcohol-related problems. There’s little reason to think moving to a license system for liquor would impact law enforcement significantly:

- A survey of studies of state liquor controls found “**no clear evidence** that privatization of alcohol markets leads to either an increase or a decrease in underage drinking, underage binge drinking, or DUI fatalities. Studies showing a positive relationship ... are counterbalanced by others showing an absent or ambiguous relationship.” (Davies and Pulito, 2010)²⁸
- **23 license states had lower rates** of alcohol-attributable deaths per 100,000 than North Carolina (LaFaive and Davies, 2012)²⁹
- “**no statistically significant relationship**” between control states and license states in alcohol-related deaths (Boudreaux and Williams, 2010)³⁰
- “**no statistically significant relationship**” between control states and license states in the rates of binge-drinking among 12 – 17-year-olds” and “among 18 – 25-year-olds” (Boudreaux and Williams, 2010)³¹

- “**no statistically significant relationship** between control states and license states” in drunk-driving rates (Boudreaux and Williams, 2010)³²
- “The plain fact seems to be that **alcohol-related problems are unrelated** to whether or not a state government prevents private, competitive businesses from selling spirits to the general public.” (Boudreaux and Williams, 2010)³³

Local distillers will benefit

Becoming a license state will open opportunities to the state’s fledgling distillery industry. Amber’s options for reaching customers would look more like Bob’s.

Her distillery wouldn’t be held hostage by a single “No” from within the government alcohol bureaucracy. She would have access to many more potential “Yes” answers from a wider range of outlets.

Under a license system, North Carolina breweries and wineries have been booming (168 wineries, 304 breweries). But under a system of strict government control, distilleries are growing at a much slower rate (63).

Our distilleries would also benefit from adopting other states’ better approaches to regulating distilleries (see Table 1). Overregulation of distilleries in North Carolina is placing unnecessary obstacles between distillers and local consumers, who are their lifeblood.

Consumers will benefit

Consumers would enjoy a wider range of outlets as well as a wider range of choices and prices. With the ABC Commission no longer dictating the choices to them, retail liquor stores could decide which brands to carry as

well as which local products to highlight. They could offer different brands than are currently allowed.

Private retailers could even take risks on new distillery products that might not offer much profit potential at first. They would also compete for consumers’ business in various ways: price, selection, service, access to hard-to-find brands, etc.

The ABC system may prefer a limited number of stores to maximize revenue, but consumers don’t. PED estimated that access to more retail outlets could increase purchases by 20 percent. Perhaps this is why a majority (52 percent) of North Carolinians polled by Elon University in October 2018 favored closing ABC stores (only 32 percent opposed). Of respondents who actually shop at ABC stores, the majority in favor of closing them was even higher (58 percent).³⁴

Job seekers, local ventures, and communities will benefit

With new opportunities for distillers and potential for more private liquor stores, there would be more jobs. As breweries and wineries have blossomed already under a license system, North Carolina’s distillery industry is poised for growth under a less restrictive system.

More jobs, more retail outlets, and more distilleries would lead to faster economic growth than could be expected under the ABC system’s strict control. Distilleries rely almost exclusively on local consumers, so building relationships with their neighbors is very important to their survival.

Distilleries also hold the potential for local tourism, especially if the state relaxes many of its restrictions against them (see Table 1). For these reasons, changes that help boost distilleries also hold the potential to boost community pride.

Conclusion: Modernize and Adopt a License System

North Carolina exerts total government control over liquor distribution and sales. Most states have a license system for liquor, like North Carolina has for beer and wine. But even from other control states, North Carolina deviates by imposing local government control over liquor sales through 170 different ABC boards.

As a government monopoly, North Carolina's ABC system seeks to maximize revenues and minimize choice and competition. Local distillers like Amber trying to reach consumers here face several layers of government bureaucracy, and any "No" along the way means they're out of luck. Consumers lose out, too.

Advocates for keeping the ABC system are quick to point to its over \$1 billion in sales and talk about its government revenue transfers. But most of the sales revenue covers business expenses. Just 38 percent goes to government purposes.

Importantly, state government revenue from liquor sales is *already built in* by taxes and surcharges in state law. They don't depend on whether North Carolina is a strict control state with an ABC system. If North Carolina becomes a license state in liquor as it is in beer and wine, state revenues could be held harmless with a slight adjustment to the state excise tax on liquor.

Also, only 7 percent of ABC revenues goes to local governments. If North Carolina becomes a license state in liquor as it is in beer and wine, local government revenues could be held harmless through a local government excise

tax. For this purpose PED would replace the 3.5 percent local government markup with a 12 percent local government excise tax. See the appendix for discussion.

Advocates for keeping the ABC system also speculate that without it, North Carolina would see a spike in teenage drinking, teenage binge drinking, DUIs, and alcohol-related deaths, which would create havoc for ALE and local law enforcement. While underage drinking and alcohol abuse are serious problems, these fears appear to be unfounded.

Sales of bottles of liquor for off-premise consumption are a small subset of alcohol consumption, and research finds no significant differences in control vs. license states in any of these negative outcomes. A higher local excise tax could more directly limit liquor purchases in a community. Most importantly, a change to the licensing system would retain existing consumer safeguards.

Consumers, distillers, private retailers, future entrepreneurs, local job-seekers, and local communities would all benefit from liberating the liquor industry in North Carolina. A majority of North Carolinians favor this change, including nearly six out of 10 liquor consumers.

North Carolina's state constitution favors free enterprise and opposes monopolies. It's past time to end its own government monopoly on liquor. Fears that this would cost government revenues and create problems for law enforcement and the community are unfounded. The state is standing in the way of consumers, local distillers, potential growth in future distillery ventures, potential future growth in retail ventures, greater choice, greater competition, local job creation, and community benefits.

Recommendations

1. Dissolve the ABC boards and sell the ABC stores.

Government should not control the market of a legal product. North Carolina's State Constitution states that "monopolies are contrary to the genius of a free state and shall not be allowed." Retail sales of liquor, like beer and wine, should be conducted by private businesses licensed by the state.

2. Divest the state of the ABC warehouse.

Warehousing and distributing should be conducted by private businesses, as done in hosts of other legal industries.

3. Free distillers from the ABC Commission dictating an approved products list and statewide prices.

Government should not arbitrarily dictate choices and prices to private retailers or prevent them from taking a chance on new products.

4. Remove any anticompetitive restrictions and areas of overregulation in rules governing the alcohol industry.

State regulations should be light and sensible and not devolve into red tape and arbitrary restrictions. A good indicator of the latter is when other states' regulators allow certain activities that North Carolina forbids. See Table 1 for examples.

5. Hold local government revenues harmless.

Replace the 3.5 percent local government markup with a 12 percent local government excise tax or a combination of a local government excise tax with a local-option excise tax. (State government revenues from liquor sales are from taxes and surcharges built into state law and don't depend on being a strict control state with an ABC system.)

APPENDIX

Replacing the local government ABC revenue distribution with a local government excise tax

Only about 7 percent of ABC revenues goes to local governments. Replacing that amount to hold local governments harmless under a license system is a matter of setting the right level of local excise tax on liquor sales. The General Assembly's Program Evaluation Division estimated it could be done with a local government excise tax of 12 percent.

This estimate assumes a 20 percent increase in liquor sales from more sales outlets. While it works statewide, its effectiveness varies significantly among locations, depending upon the efficiency of the local ABC board a new licensing system would replace. Some boards consume greater proportions of their revenues in operating expenses

and working capital and so have comparably little left over for local distribution. Their communities would see large returns from a local government excise tax. Communities with more efficient ABC boards would not, however.

Some communities would not need a full 12 percent excise tax to maintain their expected revenue contribution from liquor sales, whereas others would need more than 12 percent.

Setting a statewide local government excise tax and giving local governments a local option to add their own excise tax could bridge this gap. Note that the higher a local-option excise tax were set, the more it would limit liquor purchases in the community.

The table on the following pages uses ABC data on the board level to estimate how revenues from a 12 percent local excise tax would compare with local distribution levels under different sales levels (from no change up to 20 percent increase).

County	Board	Cost of goods sold, FY 2018	ABC board expenses & capital, FY 2018	Local distribution, FY 2018	ABC board/ local distribution	12% local excise tax	Difference between local excise tax and local distribution	% diff.	% diff. with 5% sales growth	% diff. with 10% sales growth	% diff. with 20% sales growth
Alamance	Alamance Municipal	\$7,213,574	\$2,356,845	\$922,473	2.6	\$865,629	-\$56,844	-6.2%	-1.5%	3.2%	12.6%
Alleghany	Sparta	\$440,856	\$171,349	\$36,050	4.8	\$52,903	\$16,853	46.7%	54.1%	61.4%	76.1%
Anson	Wadesboro	\$775,153	\$265,451	\$76,000	3.5	\$93,018	\$17,018	22.4%	28.5%	34.6%	46.9%
Ashe	West Jefferson	\$1,005,932	\$379,922	\$65,000	5.8	\$120,712	\$55,712	85.7%	95.0%	104.3%	122.9%
Avery	High Country	\$1,765,913	\$532,910	\$285,000	1.9	\$211,910	-\$73,090	-25.6%	-21.9%	-18.2%	-10.8%
Beaufort	Beaufort County	\$2,839,851	\$1,161,445	\$199,102	5.8	\$340,782	\$141,680	71.2%	79.7%	88.3%	105.4%
Bertie	Bertie County	\$436,806	\$186,637	\$0	[div/0]	\$52,417	\$52,417	[div/0]	[div/0]	[div/0]	[div/0]
Bladen	Elizabethtown	\$760,179	\$230,846	\$105,000	2.2	\$91,221	-\$13,779	-13.1%	-8.8%	-4.4%	4.3%
Brunswick	Belville	\$2,124,383	\$667,582	\$243,638	2.7	\$254,926	\$11,288	4.6%	9.9%	15.1%	25.6%
Brunswick	Boiling Spring Lakes	\$436,971	\$174,449	\$25,000	7.0	\$52,437	\$27,437	109.7%	120.2%	130.7%	151.7%
Brunswick	Brunswick County	\$1,711,981	\$777,217	\$24,000	32.4	\$205,438	\$181,438	756.0%	798.8%	841.6%	927.2%
Brunswick	Calabash	\$897,215	\$282,148	\$105,027	2.7	\$107,666	\$2,639	2.5%	7.6%	12.8%	23.0%
Brunswick	Oak Island	\$1,650,999	\$530,826	\$256,944	2.1	\$198,120	-\$58,824	-22.9%	-19.0%	-15.2%	-7.5%
Brunswick	Ocean Isle Beach	\$1,188,549	\$355,570	\$205,392	1.7	\$142,626	-\$62,766	-30.6%	-27.1%	-23.6%	-16.7%
Brunswick	Shallotte	\$1,039,267	\$286,001	\$169,400	1.7	\$124,712	-\$44,688	-26.4%	-22.7%	-19.0%	-11.7%
Brunswick	Southport	\$1,704,814	\$488,006	\$289,240	1.7	\$204,578	-\$84,662	-29.3%	-25.7%	-22.2%	-15.1%

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Brunswick	Sunset Beach	\$890,224	\$366,393	\$48,048	7.6	\$106,827	\$58,779	122.3%	133.5%	144.6%	166.8%
Buncombe	Asheville	\$17,572,203	\$5,559,364	\$3,008,535	1.8	\$2,108,664	-\$899,871	-29.9%	-26.4%	-22.9%	-15.9%
Buncombe	Black Mountain	\$1,244,624	\$479,197	\$72,000	6.7	\$149,355	\$77,355	107.4%	117.8%	128.2%	148.9%
Buncombe	Weaverville	\$1,604,724	\$678,599	\$51,640	13.1	\$192,567	\$140,927	272.9%	291.5%	310.2%	347.5%
Buncombe	Woodfin	\$956,732	\$405,479	\$21,325	19.0	\$114,808	\$93,483	438.4%	465.3%	492.2%	546.0%
Burke	Morganton	\$1,806,122	\$392,674	\$393,470	1.0	\$216,735	-\$176,735	-44.9%	-42.2%	-39.4%	-33.9%
Burke	Valdese	\$542,920	\$267,054	\$0	[div/0]	\$65,150	\$65,150	[div/0]	[div/0]	[div/0]	[div/0]
Cabarrus	Concord	\$8,686,922	\$3,618,796	\$491,979	7.4	\$1,042,431	\$550,452	111.9%	122.5%	133.1%	154.3%
Cabarrus	Mount Pleasant	\$454,814	\$184,764	\$25,000	7.4	\$54,578	\$29,578	118.3%	129.2%	140.1%	162.0%
Caldwell	Granite Falls	\$608,796	\$190,226	\$98,953	1.9	\$73,056	-\$25,897	-26.2%	-22.5%	-18.8%	-11.4%
Caldwell	Lenoir City	\$1,834,023	\$552,198	\$286,281	1.9	\$220,083	-\$66,198	-23.1%	-19.3%	-15.4%	-7.7%
Camden	Camden County	\$768,871	\$278,423	\$66,192	4.2	\$92,265	\$26,073	39.4%	46.4%	53.3%	67.3%
Carteret	Carteret County	\$7,571,134	\$2,441,732	\$1,446,932	1.7	\$908,536	-\$538,396	-37.2%	-34.1%	-30.9%	-24.7%
Caswell	Caswell County	\$1,164,788	\$458,575	\$64,258	7.1	\$139,775	\$75,517	117.5%	128.4%	139.3%	161.0%
Catawba	Catawba County	\$10,477,231	\$3,932,061	\$905,982	4.3	\$1,257,268	\$351,286	38.8%	45.7%	52.7%	66.5%
Chatham	Chatham County	\$2,055,811	\$865,120	\$110,456	7.8	\$246,697	\$136,241	123.3%	134.5%	145.7%	168.0%
Chatham	Pittsboro	\$797,493	\$248,271	\$113,495	2.2	\$95,699	-\$17,796	-15.7%	-11.5%	-7.2%	1.2%
Chatham	Siler City	\$740,223	\$292,081	\$45,537	6.4	\$88,827	\$43,290	95.1%	104.8%	114.6%	134.1%
Cherokee	Andrews	\$411,855	\$182,457	\$0	[div/0]	\$49,423	\$49,423	[div/0]	[div/0]	[div/0]	[div/0]
Cherokee	Murphy	\$1,678,207	\$607,511	\$140,000	4.3	\$201,385	\$61,385	43.8%	51.0%	58.2%	72.6%
Chowan	Chowan County	\$805,154	\$240,139	\$114,001	2.1	\$96,618	-\$17,383	-15.2%	-11.0%	-6.8%	1.7%
Clay	Clay County	\$1,303,992	\$370,446	\$205,000	1.8	\$156,479	-\$48,521	-23.7%	-19.9%	-16.0%	-8.4%
Cleveland	Kings Mountain	\$960,638	\$352,573	\$52,869	6.7	\$115,277	\$62,408	118.0%	128.9%	139.8%	161.7%
Cleveland	Shelby	\$2,437,123	\$810,911	\$289,118	2.8	\$292,455	\$3,337	1.2%	6.2%	11.3%	21.4%
Columbus	Brunswick	\$266,447	\$84,495	\$25,194	3.4	\$31,974	\$6,780	26.9%	33.3%	39.6%	52.3%
Columbus	Lake Waccamaw	\$226,474	\$95,527	\$10,000	9.6	\$27,177	\$17,177	171.8%	185.4%	198.9%	226.1%
Columbus	Tabor City	\$432,764	\$106,610	\$59,244	1.8	\$51,932	-\$7,312	-12.3%	-8.0%	-3.6%	5.2%
Columbus	West Columbus	\$351,177	\$151,130	\$0	[div/0]	\$42,141	\$42,141	[div/0]	[div/0]	[div/0]	[div/0]
Columbus	Whiteville	\$689,810	\$234,213	\$72,372	3.2	\$82,777	\$10,405	14.4%	20.1%	25.8%	37.3%
Craven	Craven County	\$5,613,983	\$1,805,992	\$722,222	2.5	\$673,678	-\$48,544	-6.7%	-2.1%	2.6%	11.9%
Cumberland	Cumberland County	\$18,722,759	\$4,970,669	\$3,569,168	1.4	\$2,246,731	-\$1,322,437	-37.1%	-33.9%	-30.8%	-24.5%

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Currituck	Currituck County	\$3,100,183	\$825,503	\$578,079	1.4	\$372,022	-\$206,057	-35.6%	-32.4%	-29.2%	-22.8%
Dare	Dare County	\$9,057,577	\$2,441,196	\$1,792,864	1.4	\$1,086,909	-\$705,955	-39.4%	-36.3%	-33.3%	-27.3%
Davidson	Lexington	\$2,500,043	\$615,141	\$515,000	1.2	\$300,005	-\$214,995	-41.7%	-38.8%	-35.9%	-30.1%
Davidson	Thomasville	\$1,702,339	\$658,978	\$90,965	7.2	\$204,281	\$113,316	124.6%	135.8%	147.0%	169.5%
Davie	Cooleemee	\$632,465	\$256,103	\$32,230	7.9	\$75,896	\$43,666	135.5%	147.3%	159.0%	182.6%
Davie	Mocksville Cooleemee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Duplin	Kenansville	\$297,279	\$101,917	\$28,422	3.6	\$35,673	\$7,251	25.5%	31.8%	38.1%	50.6%
Duplin	Wallace	\$859,547	\$270,420	\$99,700	2.7	\$103,146	\$3,446	3.5%	8.6%	13.8%	24.1%
Duplin	Warsaw	\$353,736	\$138,767	\$8,469	16.4	\$42,448	\$33,979	401.2%	426.3%	451.3%	501.5%
Durham	Durham County	\$19,295,261	\$6,092,278	\$2,444,444	2.5	\$2,315,431	-\$129,013	-5.3%	-0.5%	4.2%	13.7%
Edgecombe	Edgecombe County	\$2,650,481	\$886,892	\$280,460	3.2	\$318,058	\$37,598	13.4%	19.1%	24.7%	36.1%
Forsyth	Triad Municipal	\$24,554,970	\$6,740,883	\$4,548,736	1.5	\$2,946,596	-\$1,602,140	-35.2%	-32.0%	-28.7%	-22.3%
Franklin	Bunn	\$479,804	\$162,825	\$37,403	4.4	\$57,576	\$20,173	53.9%	61.6%	69.3%	84.7%
Franklin	Franklinton	\$628,163	\$177,421	\$94,201	1.9	\$75,380	-\$18,821	-20.0%	-16.0%	-12.0%	-4.0%
Franklin	Louisburg	\$881,203	\$326,577	\$57,642	5.7	\$105,744	\$48,102	83.5%	92.6%	101.8%	120.1%
Franklin	Youngsville	\$665,818	\$199,388	\$101,787	2.0	\$79,898	-\$21,889	-21.5%	-17.6%	-13.7%	-5.8%
Gaston	Belmont	\$642,689	\$377,005	\$0	[div/0]	\$77,123	\$77,123	[div/0]	[div/0]	[div/0]	[div/0]
Gaston	Bessemer City	\$290,311	\$118,987	\$15,000	7.9	\$34,837	\$19,837	132.2%	143.9%	155.5%	178.7%
Gaston	Cherryville	\$568,633	\$219,910	\$22,058	10.0	\$68,236	\$46,178	209.3%	224.8%	240.3%	271.2%
Gaston	Cramerton	\$1,598,702	\$665,518	\$77,913	8.5	\$191,844	\$113,931	146.2%	158.5%	170.9%	195.5%
Gaston	Gastonia	\$5,743,686	\$1,760,291	\$915,600	1.9	\$689,242	-\$226,358	-24.7%	-21.0%	-17.2%	-9.7%
Gaston	Mount Holly	\$1,176,633	\$294,735	\$224,154	1.3	\$141,196	-\$82,958	-37.0%	-33.9%	-30.7%	-24.4%
Gates	Gates County	\$412,343	\$180,247	\$0	[div/0]	\$49,481	\$49,481	[div/0]	[div/0]	[div/0]	[div/0]
Granville	Granville County	\$2,304,399	\$949,037	\$114,821	8.3	\$276,528	\$161,707	140.8%	152.9%	164.9%	189.0%
Greene	Greene County	\$430,939	\$180,834	\$14,045	12.9	\$51,713	\$37,668	268.2%	286.6%	305.0%	341.8%
Guilford	Gibsonville	\$655,164	\$290,572	\$10,000	29.1	\$78,620	\$68,620	686.2%	725.5%	764.8%	843.4%
Guilford	Greensboro	\$25,085,551	\$7,652,599	\$4,198,437	1.8	\$3,010,266	-\$1,188,171	-28.3%	-24.7%	-21.1%	-14.0%
Guilford	High Point	\$9,646,875	\$2,577,578	\$2,027,868	1.3	\$1,157,625	-\$870,243	-42.9%	-40.1%	-37.2%	-31.5%
Halifax	Halifax County	\$2,811,743	\$1,067,096	\$180,533	5.9	\$337,409	\$156,876	86.9%	96.2%	105.6%	124.3%
Harnett	Angier	\$1,150,214	\$439,756	\$61,795	7.1	\$138,026	\$76,231	123.4%	134.5%	145.7%	168.0%
Harnett	Dunn	\$1,315,389	\$451,940	\$125,000	3.6	\$157,847	\$32,847	26.3%	32.6%	38.9%	51.5%
Harnett	Lillington	\$984,674	\$453,453	\$0	[div/0]	\$118,161	\$118,161	[div/0]	[div/0]	[div/0]	[div/0]

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Haywood	Canton	\$785,068	\$339,779	\$12,322	27.6	\$94,208	\$81,886	664.6%	702.8%	741.0%	817.5%
Haywood	Maggie Valley	\$1,341,410	\$601,116	\$0	[div/0]	\$160,969	\$160,969	[div/0]	[div/0]	[div/0]	[div/0]
Haywood	Waynesville	\$1,477,587	\$601,325	\$81,027	74	\$177,310	\$96,283	118.8%	129.8%	140.7%	162.6%
Henderson	Fletcher	\$1,210,565	\$474,647	\$75,000	6.3	\$145,268	\$70,268	93.7%	103.4%	113.1%	132.4%
Henderson	Hendersonville	\$3,741,757	\$1,323,367	\$350,000	3.8	\$449,011	\$99,011	28.3%	34.7%	41.1%	53.9%
Henderson	Laurel Park	\$684,508	\$253,714	\$60,965	4.2	\$82,141	\$21,176	34.7%	41.5%	48.2%	61.7%
Hertford	Hertford County	\$1,304,491	\$464,496	\$67,470	6.9	\$156,539	\$89,069	132.0%	143.6%	155.2%	178.4%
Hoke	Hoke County	\$1,201,792	\$443,168	\$96,000	4.6	\$144,215	\$48,215	50.2%	57.7%	65.2%	80.3%
Hyde	Hyde County	\$400,481	\$185,988	\$21,747	8.6	\$48,058	\$26,311	121.0%	132.0%	143.1%	165.2%
Iredell	Mooresville	\$5,958,492	\$1,067,916	\$1,600,000	0.7	\$715,019	-\$884,981	-55.3%	-53.1%	-50.8%	-46.4%
Iredell	Statesville	\$3,278,868	\$928,510	\$509,745	1.8	\$393,464	-\$116,281	-22.8%	-19.0%	-15.1%	-7.4%
Iredell	Troutman	\$731,935	\$321,857	\$19,996	16.1	\$87,832	\$67,836	339.2%	361.2%	383.2%	427.1%
Jackson	Jackson County	\$2,477,022	\$765,691	\$400,000	1.9	\$297,243	-\$102,757	-25.7%	-22.0%	-18.3%	-10.8%
Johnston	Johnston County	\$8,500,360	\$2,442,553	\$1,300,000	1.9	\$1,020,043	-\$279,957	-21.5%	-17.6%	-13.7%	-5.8%
Jones	Jones County	\$589,977	\$263,029	\$0	[div/0]	\$70,797	\$70,797	[div/0]	[div/0]	[div/0]	[div/0]
Lee	Sanford	\$3,198,703	\$1,086,242	\$240,000	4.5	\$383,844	\$143,844	59.9%	67.9%	75.9%	91.9%
Lenoir	Lenoir County	\$2,369,565	\$746,485	\$321,508	2.3	\$284,348	-\$37,160	-11.6%	-7.1%	-2.7%	6.1%
Lincoln	Lincoln County	\$2,034,878	\$735,235	\$204,000	3.6	\$244,185	\$40,185	19.7%	25.7%	31.7%	43.6%
Lincoln	Lincolnton	\$1,511,835	\$550,847	\$155,346	3.5	\$181,420	\$26,074	16.8%	22.6%	28.5%	40.1%
Macon	Franklin	\$1,483,186	\$615,572	\$70,000	8.8	\$177,982	\$107,982	154.3%	167.0%	179.7%	205.1%
Macon	Highlands	\$956,247	\$415,428	\$63,886	6.5	\$114,750	\$50,864	79.6%	88.6%	97.6%	115.5%
Martin	Martin County	\$1,131,286	\$415,866	\$115,000	3.6	\$135,754	\$20,754	18.0%	23.9%	29.9%	41.7%
McDowell	Marion	\$1,434,100	\$483,804	\$155,300	3.1	\$172,092	\$16,792	10.8%	16.4%	21.9%	33.0%
Mecklenburg	Mecklenburg County	\$82,514,324	\$22,159,034	\$12,753,502	1.7	\$9,901,719	-\$2,851,783	-22.4%	-18.5%	-14.6%	-6.8%
Mitchell	Spruce Pine	\$705,949	\$261,020	\$44,000	5.9	\$84,714	\$40,714	92.5%	102.2%	111.8%	131.0%
Montgomery	Montgomery	\$873,509	\$365,129	\$48,771	7.5	\$104,821	\$56,050	114.9%	125.7%	136.4%	157.9%
Moore	Moore County	\$6,117,319	\$1,874,838	\$865,608	2.2	\$734,078	-\$131,530	-15.2%	-11.0%	-6.7%	1.8%
Nash	Nash County	\$5,721,588	\$2,009,099	\$580,825	3.5	\$686,591	\$105,766	18.2%	24.1%	30.0%	41.9%
New Hanover	New Hanover County	\$22,651,375	\$7,028,732	\$4,789,318	1.5	\$2,718,165	-\$2,071,153	-43.2%	-40.4%	-37.6%	-31.9%
Northampton	Northampton County	\$572,302	\$257,930	\$0	[div/0]	\$68,676	\$68,676	[div/0]	[div/0]	[div/0]	[div/0]
Onslow	Onslow County	\$9,240,518	\$3,577,000	\$848,493	4.2	\$1,108,862	\$260,369	30.7%	37.2%	43.8%	56.8%
Orange	Orange County	\$10,468,853	\$4,090,582	\$500,000	8.2	\$1,256,262	\$756,262	151.3%	163.8%	176.4%	201.5%

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Pamlico	Pamlico County	\$757,943	\$250,195	\$59,522	4.2	\$90,953	\$31,431	52.8%	60.4%	68.1%	83.4%
Pasquotank	Pasquotank County	\$1,854,197	\$488,900	\$393,366	1.2	\$222,504	-\$170,862	-43.4%	-40.6%	-37.8%	-32.1%
Pender	Pender County	\$3,594,806	\$1,203,255	\$459,909	2.6	\$431,377	-\$28,532	-6.2%	-1.5%	3.2%	12.6%
Perquimans	Hertford	\$575,608	\$194,576	\$80,276	2.4	\$69,073	-\$11,203	-14.0%	-9.7%	-5.4%	3.3%
Person	Person County	\$1,742,682	\$430,285	\$343,840	1.3	\$209,122	-\$134,718	-39.2%	-36.1%	-33.1%	-27.0%
Pitt	Pitt County	\$9,961,663	\$3,038,783	\$1,400,000	2.2	\$1,195,400	-\$204,600	-14.6%	-10.3%	-6.1%	2.5%
Polk	Columbus	\$373,012	\$144,214	\$5,000	28.8	\$44,761	\$39,761	795.2%	840.0%	884.8%	974.3%
Polk	Tryon	\$249,938	\$124,694	\$0	[div/0]	\$29,993	\$29,993	[div/0]	[div/0]	[div/0]	[div/0]
Randolph	Asheboro	\$1,746,670	\$499,183	\$328,500	1.5	\$209,600	-\$118,900	-36.2%	-33.0%	-29.8%	-23.4%
Randolph	Liberty	\$457,654	\$181,111	\$20,061	9.0	\$54,918	\$34,857	173.8%	187.4%	201.1%	228.5%
Randolph	Ramseur	\$294,998	\$133,335	\$0	[div/0]	\$35,400	\$35,400	[div/0]	[div/0]	[div/0]	[div/0]
Randolph	Randleman	\$881,097	\$250,273	\$157,526	1.6	\$105,732	-\$51,794	-32.9%	-29.5%	-26.2%	-19.5%
Richmond	Hamlet	\$617,784	\$198,747	\$53,055	3.7	\$74,134	\$21,079	39.7%	46.7%	53.7%	67.7%
Richmond	Rockingham	\$1,293,511	\$411,668	\$132,914	3.1	\$155,221	\$22,307	16.8%	22.6%	28.5%	40.1%
Robeson	Fairmont	\$390,266	\$155,637	\$5,000	31.1	\$46,832	\$41,832	836.6%	883.5%	930.3%	1024.0%
Robeson	Lumberton	\$2,101,052	\$780,424	\$113,099	6.9	\$252,126	\$139,027	122.9%	134.1%	145.2%	167.5%
Robeson	Maxton	\$428,769	\$201,343	\$0	[div/0]	\$51,452	\$51,452	[div/0]	[div/0]	[div/0]	[div/0]
Robeson	Pembroke	\$666,692	\$242,874	\$60,500	4.0	\$80,003	\$19,503	32.2%	38.8%	45.5%	58.7%
Robeson	Red Springs	\$374,830	\$189,164	\$0	[div/0]	\$44,980	\$44,980	[div/0]	[div/0]	[div/0]	[div/0]
Robeson	Rowland	\$132,890	\$56,734	\$0	[div/0]	\$15,947	\$15,947	[div/0]	[div/0]	[div/0]	[div/0]
Robeson	Saint Pauls	\$705,014	\$216,742	\$76,886	2.8	\$84,602	\$7,716	10.0%	15.5%	21.0%	32.0%
Rockingham	Eden	\$975,177	\$344,619	\$95,763	3.6	\$117,021	\$21,258	22.2%	28.3%	34.4%	46.6%
Rockingham	Madison	\$734,179	\$287,059	\$40,013	7.2	\$88,101	\$48,088	120.2%	131.2%	142.2%	164.2%
Rockingham	Reidsville	\$1,329,854	\$447,627	\$125,150	3.6	\$159,582	\$34,432	27.5%	33.9%	40.3%	53.0%
Rowan	Rowan/ Kannapolis	\$7,074,807	\$2,764,946	\$384,000	7.2	\$848,977	\$464,977	121.1%	132.1%	143.2%	165.3%
Rutherford	Forest City	\$1,210,662	\$362,940	\$201,788	1.8	\$145,279	-\$56,509	-28.0%	-24.4%	-20.8%	-13.6%
Rutherford	Lake Lure	\$471,203	\$195,613	\$34,239	5.7	\$56,544	\$22,305	65.1%	73.4%	81.7%	98.2%
Rutherford	Rutherfordton	\$785,412	\$242,683	\$41,358	5.9	\$94,249	\$52,891	127.9%	139.3%	150.7%	173.5%
Sampson	Clinton	\$1,165,995	\$265,137	\$244,000	1.1	\$139,919	-\$104,081	-42.7%	-39.8%	-36.9%	-31.2%
Sampson	Newton Grove	\$286,826	\$118,333	\$7,775	15.2	\$34,419	\$26,644	342.7%	364.8%	387.0%	431.2%
Sampson	Roseboro	\$517,959	\$205,101	\$12,410	16.5	\$62,155	\$49,745	400.8%	425.9%	450.9%	501.0%
Scotland	Scotland County	\$1,144,604	\$386,359	\$119,261	3.2	\$137,352	\$18,091	15.2%	20.9%	26.7%	38.2%
Stanly	Albemarle	\$1,649,592	\$577,650	\$290,000	2.0	\$197,951	-\$92,049	-31.7%	-28.3%	-24.9%	-18.1%

County	Board	Cost of goods sold, FY 2018	ABC board expenses & capital, FY 2018	Local distribution, FY 2018	ABC board/ local distribution	12% local excise tax	Difference between local excise tax and local distribution	% diff.	% diff. with 5% sales growth	% diff. with 10% sales growth	% diff. with 20% sales growth
Stanly	Locust	\$966,817	\$431,894	\$24,510	176	\$116,018	\$91,508	373.3%	3970%	420.7%	468.0%
Stanly	Norwood	\$313,248	\$142,644	\$0	[div/0]	\$37,590	\$37,590	[div/0]	[div/0]	[div/0]	[div/0]
Stokes	Walnut Cove	\$533,515	\$192,369	\$28,950	6.6	\$64,022	\$35,072	121.1%	132.2%	143.3%	165.4%
Surry	Dobson	\$338,605	\$135,749	\$17,425	7.8	\$40,633	\$23,208	133.2%	144.8%	156.5%	179.8%
Surry	Mount Airy	\$1,214,362	\$450,488	\$145,189	3.1	\$145,723	\$534	0.4%	5.4%	10.4%	20.4%
Surry	Pilot Mountain	\$558,132	\$260,061	\$0	[div/0]	\$66,976	\$66,976	[div/0]	[div/0]	[div/0]	[div/0]
Surry	Yadkin Valley	\$991,977	\$438,762	\$0	[div/0]	\$119,037	\$119,037	[div/0]	[div/0]	[div/0]	[div/0]
Swain	Bryson City	\$1,129,397	\$316,360	\$190,000	1.7	\$135,528	-\$54,472	-28.7%	-25.1%	-21.5%	-14.4%
Transylvania	Brevard	\$1,958,314	\$599,040	\$278,623	2.2	\$234,998	-\$43,625	-15.7%	-11.4%	-7.2%	1.2%
Tyrrell	Tyrrell County	\$245,107	\$104,041	\$0	[div/0]	\$29,413	\$29,413	[div/0]	[div/0]	[div/0]	[div/0]
Union	Indian Trail	\$2,229,562	\$675,100	\$325,500	2.1	\$267,547	-\$57,953	-17.8%	-13.7%	-9.6%	-1.4%
Union	Marshville	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Union	Monroe	\$2,444,417	\$625,968	\$465,000	1.3	\$293,330	-\$171,670	-36.9%	-33.8%	-30.6%	-24.3%
Union	Waxhaw	\$1,733,110	\$528,400	\$215,000	2.5	\$207,973	-\$7,027	-3.3%	1.6%	6.4%	16.1%
Union	Wingate	\$862,533	\$334,455	\$54,665	6.1	\$103,504	\$48,839	89.3%	98.8%	108.3%	127.2%
Vance	Vance County	\$2,109,223	\$779,215	\$113,515	6.9	\$253,107	\$139,592	123.0%	134.1%	145.3%	167.6%
Wake	Wake County	\$70,990,914	\$17,811,322	\$11,466,836	1.6	\$8,518,910	-\$2,947,926	-25.7%	-22.0%	-18.3%	-10.8%
Warren	Warren County	\$1,334,408	\$619,162	\$0	[div/0]	\$160,129	\$160,129	[div/0]	[div/0]	[div/0]	[div/0]
Washington	Washington County	\$467,294	\$167,222	\$60,980	2.7	\$56,075	-\$4,905	-8.0%	-3.4%	1.2%	10.3%
Watauga	Blowing Rock	\$894,028	\$340,499	\$110,000	3.1	\$107,283	-\$2,717	-2.5%	2.4%	7.3%	17.0%
Watauga	Boone	\$3,348,449	\$1,012,120	\$500,000	2.0	\$401,814	-\$98,186	-19.6%	-15.6%	-11.6%	-3.6%
Wayne	Wayne County	\$4,737,870	\$1,977,951	\$150,000	13.2	\$568,544	\$418,544	279.0%	298.0%	316.9%	354.8%
Wilkes	North Wilkesboro	\$719,120	\$337,778	\$0	[div/0]	\$86,294	\$86,294	[div/0]	[div/0]	[div/0]	[div/0]
Wilkes	Wilkesboro	\$1,334,135	\$608,114	\$0	[div/0]	\$160,096	\$160,096	[div/0]	[div/0]	[div/0]	[div/0]
Wilson	Wilson County	\$4,477,030	\$1,693,877	\$350,000	4.8	\$537,244	\$187,244	53.5%	61.2%	68.8%	84.2%
Yancey	Burnsville	\$609,805	\$280,187	\$0	[div/0]	\$73,177	\$73,177	[div/0]	[div/0]	[div/0]	[div/0]
Total		\$581,905,863	\$181,247,712	\$80,345,396	2.3	\$69,828,704	-\$10,516,692	-13.1%	-8.7%	-4.4%	4.3%

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