

**RESOLUTION  
IN SUPPORT OF THE CURRENT ABC CONTROL SYSTEM  
FOR THE SALE OF LIQUOR**

**WHEREAS**, the citizens of the City of High Point 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**, North Carolina is a "control" state and private retail liquor stores are prohibited;

**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.

**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; Rehabilitation Services \$5 million; Operation of ABC Commission/Warehouse \$17.7 million.

**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 the City of High Point 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**, when Washington State privatized its liquor system the number of retail outlets increased from 328 to over 1400, hours of sale/week increased from 73 to 140 hours, and

Washington State received only \$30.75 million from auctioning off the rights to apply for retail spirits permits at 167 stores;

**WHEREAS**, privatization will result in a marked increase in the number of outlets, longer hours of sale, greater advertising and more promotion and significantly more consumption; and the 9,000 outlets in NC that sell beer/wine off-premises could be permitted to sell liquor in a privatized system;

**WHEREAS**, local revenue from ABC stores operations is important to the Town/City/County;

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

**NOW THEREFORE, BE IT RESOLVED:**

That the City of High Point 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 4<sup>th</sup> day of March 2019

By: \_\_\_\_\_  
Jay W. Wagner, Mayor

Attest:

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Lisa B. Vierling, City Clerk