



CHAPTER 18B
ARTICLE 2 - STATE ADMINISTRATION

N.C.G.S. § 18B-201.

Conflict of interest; gifts.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT S.L. 2019-203, s. 9(a) — eighth act in the lineage	RETRIEVED 21 September 2026, 03:30 UTC	SOURCE FINGERPRINT 924dbcee4767c4289b392866 - ffb5d13ab60ecf524de85a3b - a731d811439214c9
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§ 18B-201(a) Financial Interests Restricted. - No person shall be appointed to or employed by the Commission, a local board, or the ALE Division if that person or a member of that person's family related to that person by blood or marriage to the first degree has or controls, directly or indirectly, a financial interest in any commercial alcoholic beverage enterprise, including any business required to have an ABC permit. The Commission may exempt from this provision any person, other than a Commission member, when the financial interest in question is so insignificant or remote that it is unlikely to affect the person's official actions in any way. Exemptions may be granted only to individuals, not to groups or classes of people, and each exemption shall be in writing, be available for public inspection, and contain a statement of the financial interest in question.

§ 18B-201(b) Self-dealing. - The provisions of G.S. 14-234 shall apply to the Commission and local boards.

§ 18B-201(c) Dealing for Family Members. - Neither the Commission nor any local board shall contract or otherwise deal in any business matter so that a member, member's spouse or any person related to the member by blood to a degree of first cousin or closer in any way financially benefits, directly or indirectly, from the transaction unless:

- (1) The member who financially benefits from the transaction or whose spouse or relative financially benefits from the transaction abstains from participating in any way, including voting, in the decision;

- (2) The minutes of the meeting at which the final decision is reached specifically note the member who is financially benefited or whose spouse or relative is financially benefited and the amount involved in each transaction;
- (3) The next annual audit of the Commission or local board specifically notes the member and the amount involved in each transaction occurring during the year covered by the audit; and
- (4) If the transaction is by a local board, the Commission is notified at least two weeks before final board approval of the transaction.

§ 18B-201(d) Gifts Generally. - The provisions of G.S. 133-32 shall apply to the Commission and local boards.

§ 18B-201(e) Conflicts of Interest for the Commission. - The provisions of Article 4 of Chapter 138A of the General Statutes shall apply to the Commission.

§ 18B-201(f) Conflicts of Interest for Local Boards. - Except as permitted under subsection (h) of this section, a local ABC board member shall not knowingly use the local ABC board member's position on the board in any way that will result in financial benefit to the local ABC board member, the local ABC board member's spouse, any person related to the local ABC board member by blood to a degree of first cousin or closer, or any business with which the local ABC board member is associated.

§ 18B-201(g) For purposes of subsection (f) of this section, "business with which associated" shall have the same meaning as in G.S. 138A-3(7). For purposes of this section, "financial benefit" shall mean a direct pecuniary gain or loss, or a direct pecuniary loss to a business competitor.

§ 18B-201(h) Notwithstanding subsection (f) of this section, a local ABC board member may participate in an action of the local ABC board under any of the following circumstances except as specifically limited:

- (1) The financial benefit that accrues to the local ABC board member, the local ABC board member's spouse or any person related to the local ABC board member by blood to a degree of first cousin or closer, or a business with which the local ABC board member is associated is one that is accrued as a member of a profession, occupation, or general class and is no greater than that which could reasonably be foreseen to accrue to all members of that profession, occupation, or general class.
- (2) The financial benefit derived by a local ABC board member, the local ABC board member's spouse or any person related to the local ABC board member by blood to a degree of first cousin or closer, or a business with which the local ABC board member is associated is one that would be enjoyed to an extent no greater than that which other citizens of the State would or could enjoy.
- (3) The financial benefit derived by a local ABC board member, the local ABC board member's spouse or any person related to the local ABC board member by blood to a degree of first cousin or closer, or a business with which the local ABC board member is so remote, tenuous, insignificant, or speculative that a reasonable person would conclude under the circumstances that the local ABC board member's ability to protect the public interest and perform the local ABC board member's duties would not be compromised.
- (4) When an action affects or would affect the local ABC board member's compensation as a local ABC board member.
- (5) Before the local ABC board member participated in the action, the board member requested and received from the ABC Commission a written advisory opinion that authorized the participation. In authorizing the participation under this subdivision, the ABC Commission shall consider the need for the local ABC board member's particular contribution, such as special knowledge of the subject matter and the effective functioning of the local ABC board.
- (6) When action is ministerial only and does not require the exercise of discretion.
- (7) When the local ABC board records in its minutes that it cannot obtain a quorum in order to take the action because the local ABC board member is disqualified from acting, the local ABC board member may be counted for purposes of a quorum but shall otherwise abstain from taking any further action.

§ 18B-201(i)

Nothing in this section shall allow participation in an action prohibited by G.S. 14-234 or G.S. 133-32.

- § 18B-201(j)

A local board member shall not improperly use or improperly disclose any confidential information.
- § 18B-201(k)

A local board member shall have an affirmative duty to promptly disclose in writing to the local board any conflict of interest or potential conflict of interest.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
8 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

1981

2000

2019

TICK HEIGHT = ACTS IN THAT YEAR DASHED = RECODIFICATION, NOT AMENDMENT

Nº	YEAR	ACT	CHARACTER
01	1981	c. 412, s. 2	ENACTED
02	1993	c. 415, s. 4	AMENDED
03	2010	S.L. 2010-122, s. 2	AMENDED
04	2011	S.L. 2011-145, s. 19.1(q)	AMENDED
05	2014	S.L. 2014-100, s. 17.1(xxx)	AMENDED
06	2017	S.L. 2017-6, s. 3	AMENDED
07	2018	S.L. 2018-146, ss. 3.1(a), (b), 6.1	AMENDED
08	2019	S.L. 2019-203, s. 9(a)	AMENDED

APPARATUS II
3 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 14-234	(b)	"Self-dealing. - The provisions of"
G.S. 133-32	(d)	"Gifts Generally. - The provisions of"
G.S. 138A-3(7)	(g)	"have the same meaning as in"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 18B-201 (2019).

PINPOINT

N.C. Gen. Stat. § 18B-201(a) (2019).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

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HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1981, c. 412, s. 2; 1993, c. 415, s. 4; 2010-122, s. 2; 2011-145, s. 19.1(q); 2014-100, s. 17.1(xxx); 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1; 2019-203, s. 9(a).)

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