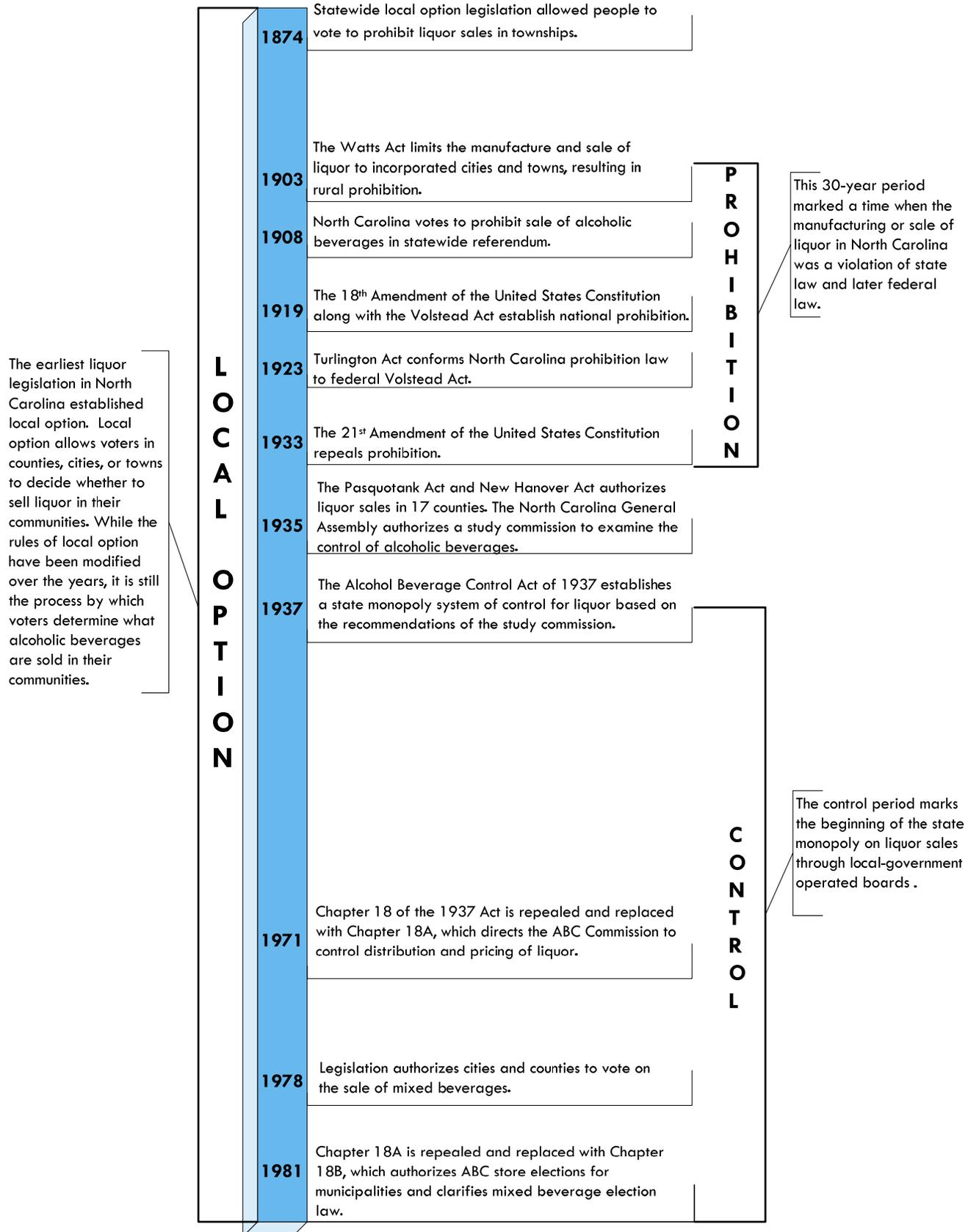
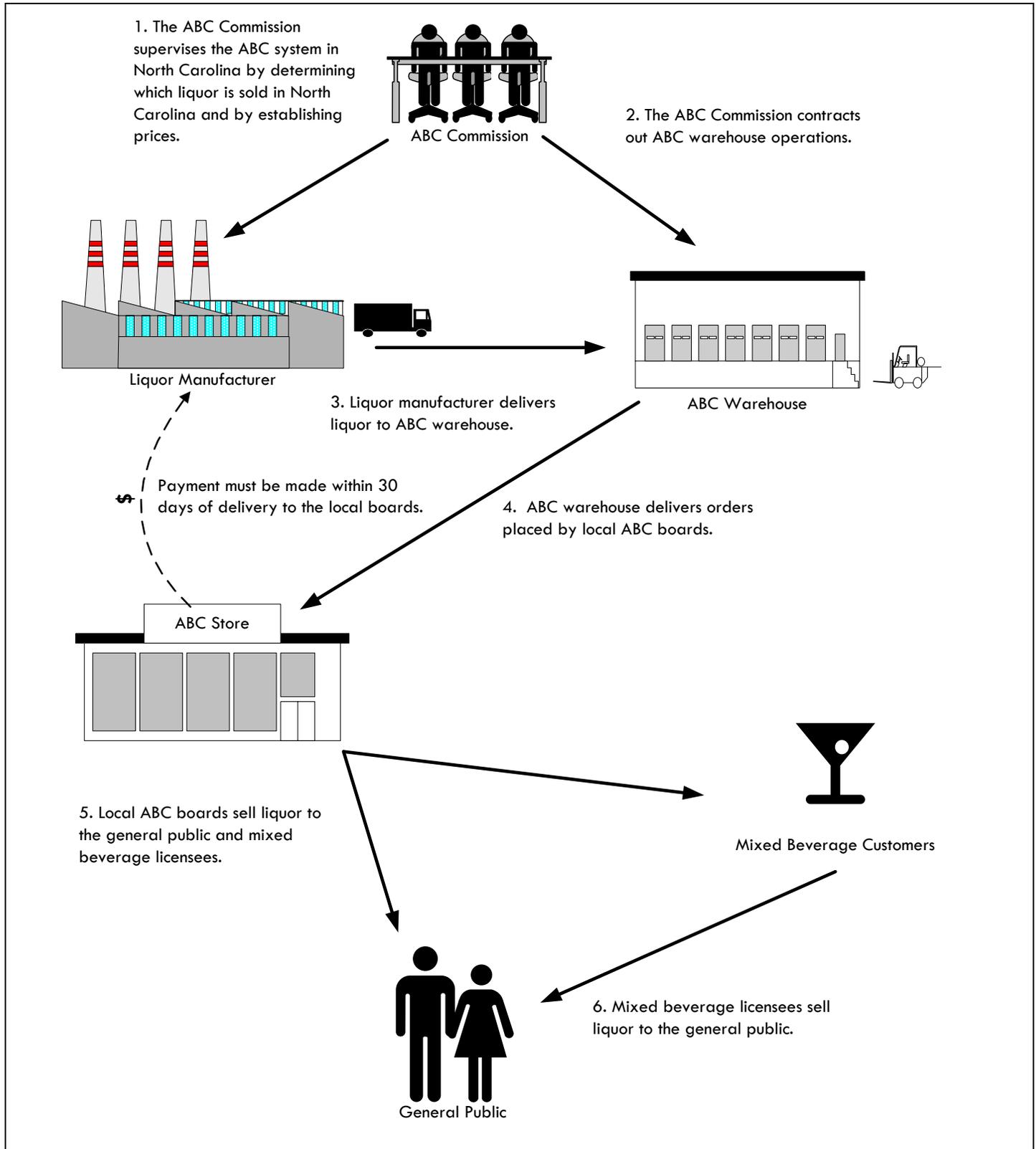


# Exhibit 1: History of Alcohol Beverage Control in North Carolina



Source: Program Evaluation Division based on North Carolina Session Laws and other historical documents.

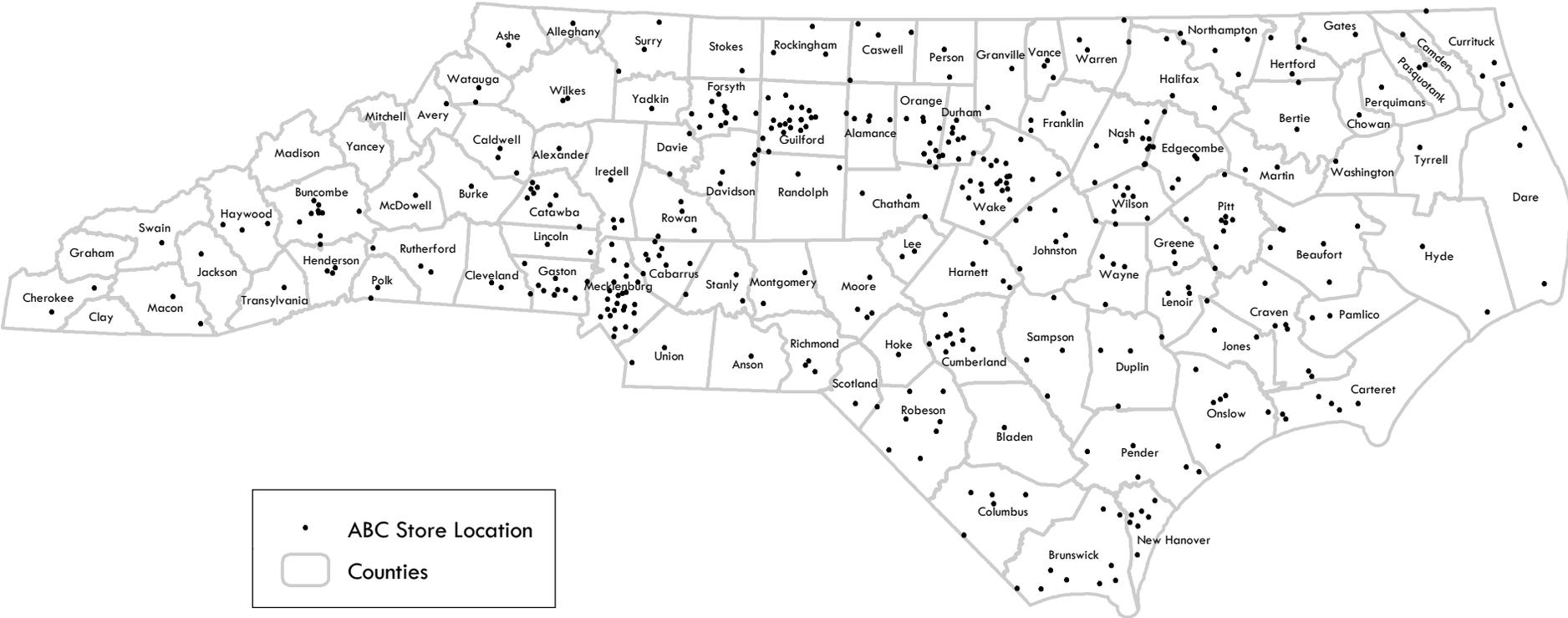
### Exhibit 2: North Carolina Alcohol Beverage Control Distribution System



Source: Program Evaluation Division based on ABC Commission information.

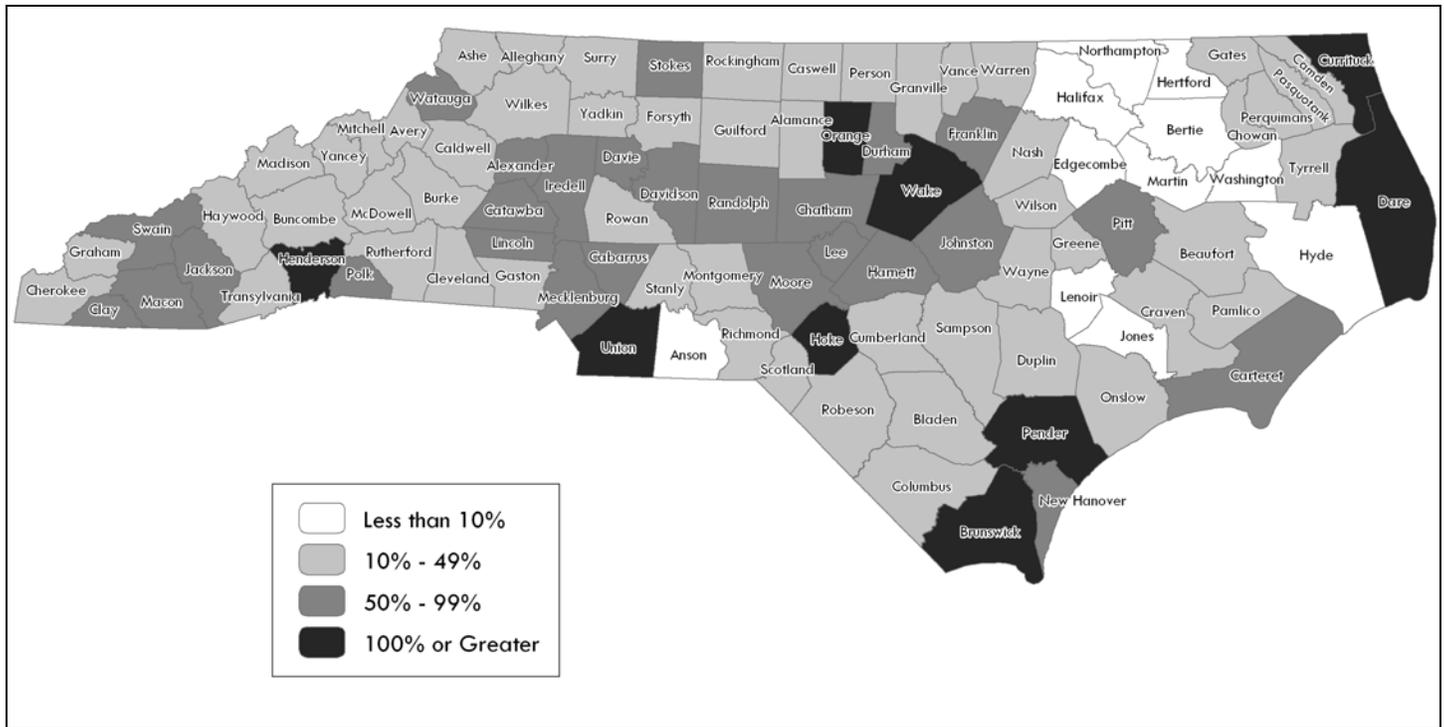


# Exhibit 5: North Carolina ABC Stores



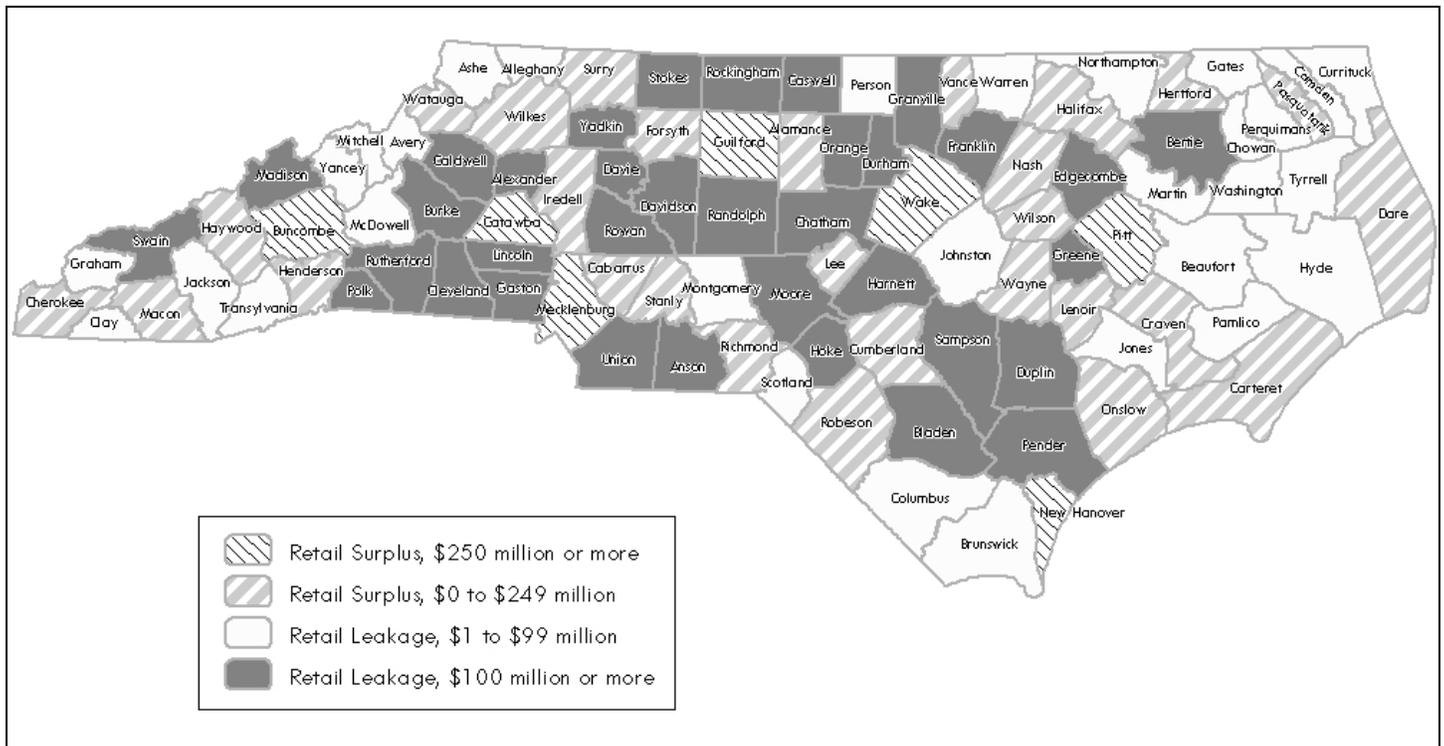
Source: Program Evaluation Division and Information Systems Division based on information from the North Carolina ABC Commission.

### Exhibit 7: Changes in North Carolina's Total Population, 1970-2000



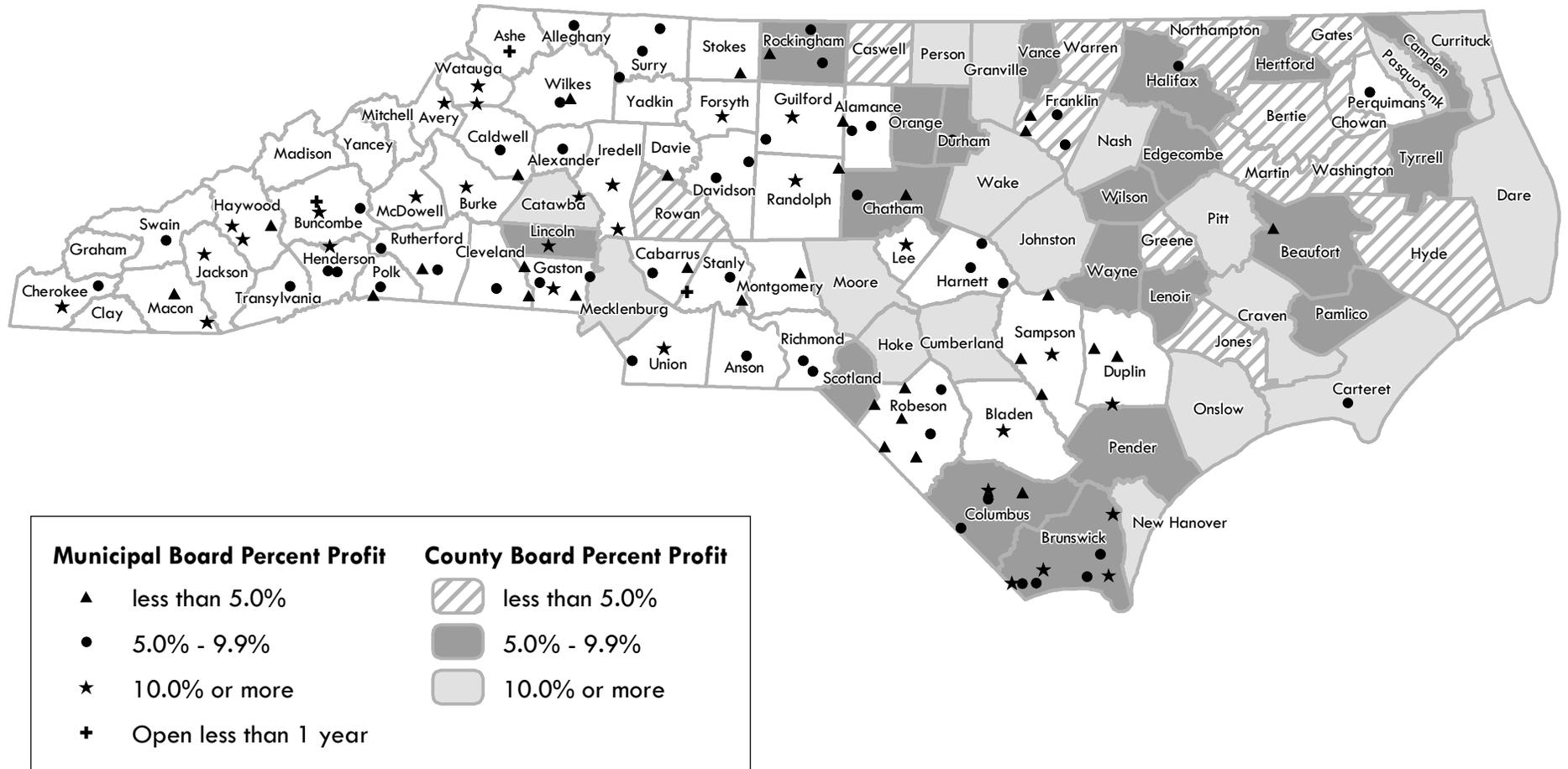
Source: Program Evaluation Division based on the United States Bureau of the Census.

### Exhibit 8: Retail Surpluses and Leakages, 2000-2004



Source: Program Evaluation Division based on data from the Department of Geography and Earth Sciences, The University of North Carolina Retrieved September 1, 2008, from [www.ncatlasrevisited.org](http://www.ncatlasrevisited.org).

# Exhibit 10: North Carolina Local ABC Board Profit Margins for Fiscal Year 2006-07



Source: Program Evaluation Division and Information Systems Division based on information from the North Carolina ABC Commission.

## Exhibit 17: Impact of Control Models on Alcohol Beverage Control

ABC System Operations	North Carolina Today	State Retail Model	Agency Store Model	Warehouse Model	Licensure Model
1. State government controls liquor selection	Yes	Yes	Yes	Yes	No
2. State government controls liquor pricing	Yes	Yes	Yes	Yes	No
3. State government operates a central warehouse	Yes	Yes	Yes	Yes	No
4. Requires creation of licensing standards for sale of liquor by agency/private retailers	No	No	Yes	Yes	Yes
5. State government operates ABC stores	No	Yes	No	No	No
6. Local governments operate ABC stores	Yes	No	No	No	No
ABC System Profitability	North Carolina Today	State Retail Model	Agency Store Model	Warehouse Model	Licensure Model
1. Provides state revenue through excise and sales taxes	Yes	Yes	Yes	Yes	Yes
2. Provides revenue for local governments if revenue sharing is required	Yes	Yes	Yes	Yes	Yes
3. Local governments receive one-time windfall from sale of all ABC stores	No <sup>i</sup>	Yes	Yes	Yes	Yes
4. Increases liquor prices to maintain state and local revenues and allow private business to profit	No	No	No	Yes	Yes
5. Increases excise tax rate to maintain state and local revenues	No	No	No	No	Yes
Note:					
<sup>i</sup> Under current law, an individual local board can choose to close and sell its store(s) and distribute revenue from the sale.					

Source: Program Evaluation Division.

**State Retail Model.** State government controls the wholesale and retail distribution of liquor, determines brands and pricing of liquor sold in the state; and maintains a warehouse for distribution. The retail sale of alcoholic beverages occurs in stores owned, maintained, and operated by state government.

**Agency Store Model.** State government controls wholesale and retail distribution of liquor, but the retail sale of alcoholic beverages is handled by contracted agency stores selling liquor on behalf of the government. State governments pay agency or contract stores a commission or sell alcoholic beverages to agency stores at a discount. The state determines brands and pricing of liquor sold in the state and maintains a warehouse for distribution to the agency stores.

**Wholesale Model.** State government controls the wholesale distribution of liquor. The retail sale of liquor is handled by private retail businesses licensed by the state. The state determines brands and pricing of liquor sold in the state and maintains a warehouse for distribution to private retail businesses.

**Licensure Model.** State government regulates the distribution of alcoholic beverages by licensing suppliers, wholesalers, and retail business selling alcoholic beverages and collecting taxes on these beverages. These states do not control retail or wholesale distribution of alcoholic beverages.