

Press Release

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DURHAM

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Gov. Perdue Announces ABC System Decision, Serious Concerns over Privatization Proposals

DURHAM – Gov. Bev Perdue announced her desire to keep North Carolina’s current Alcohol Beverage Control system while speaking at the North Carolina Association of County Commissioner’s Legislative Goals Conference in Durham today.

The decision comes after an independent review of the potential profitability of selling North Carolina’s control system, as well as the potential affects such a sale would have on the health and safety of North Carolina residents.

In her remarks today, she said that because of state budget challenges, she has considered revenue options never on the table before, including the potential sale of ABC.

In the past year, a consultant company studied the ABC system and looked at the state’s options.

Following their initial report, Gov. Perdue decided to only consider options that would protect local and state tax revenue, and keep North Carolina as a “control state”. Additionally, the value of the sale would have to significantly offset the risk involved to the state’s health and safety.

Independent revenue estimates for a one-time sale have been valued at about \$300 million.

The only way to raise enough money to make the sale practical for the state – one billion plus dollars – would be to open North Carolina up to liquor sales to a much broader range of stores, from neighborhood drug stores to large retailers.

“I don’t want to be the governor who has to hold my granddaughter’s hand as we walk past the liquor bottles on our way to the toy aisle in WalMart, or towards the cereal in Food Lion. That isn’t North Carolina. That isn’t who we are or what we want to become,” said Gov. Perdue.

Right now, North Carolina is tied for 44th in per capita liquor consumption, one of the lowest in the nation. And last year the state made a profit to the general fund of \$200 million and local governments a profit of \$51 million.

With this information, Gov. Perdue expressed serious concerns about the privatizing North Carolina’s ABC system. North Carolina’s ABC Commission is compiling its final data now, which will be shared with the membership of the General Assembly.

“I invite our Legislative leaders to sit down with me and my staff to hear a presentation from the valuation company to learn firsthand what options are available. But I suspect they will find what I did: the juice isn’t worth the squeeze,” Perdue said.

In making a decision, Gov. Perdue also considered the incidents in Charlotte, Wilmington and Greensboro over misuse of funds and acceptance of gifts which exposed a problem within the ABC system.

Following those incidents and as part of her Setting Government Straight initiative, Gov. Perdue signed significant legislation last session to bring a new ethical-standards charge to those who serve on local ABC boards.

“The current ABC system, especially with the new ethical standards in place, is well-run, and gives us the 3rd best excise revenue in the country,” Gov. Perdue said today. “I am still looking for new and innovative ways to set government straight and tackle our budget issues, but for me, today, selling the ABC system just isn’t the right way.”

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