

1 SB132
2 172996-3
3 By Senators Singleton and Sanford
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 03-FEB-16

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 Relating to alcoholic beverages; to amend Section
12 28-3A-6 of the Code of Alabama 1975; to allow a licensed
13 distillery to sell at retail up to 750 milliliters of its
14 product per day to a customer for off-premises consumption; to
15 require the distillery to keep records of sales for
16 off-premises consumption; and to specify that liquor sold for
17 off-premises consumption must be sealed, labeled, packaged,
18 and taxed in accordance with current regulations.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. Section 28-3A-6 of the Code of Alabama
21 1975, is amended to read as follows:

22 "§28-3A-6.

23 "(a) Upon applicant's compliance with the provisions
24 of this chapter and the regulations made thereunder, the board
25 shall issue to applicant a manufacturer license which shall
26 authorize the licensee to manufacture or otherwise distill,
27 produce, ferment, brew, bottle, rectify, or compound alcoholic

1 beverages within this state or for sale or distribution within
2 this state. No person shall manufacture or otherwise distill,
3 produce, ferment, brew, bottle, rectify or compound alcoholic
4 beverages within this state or for sale or distribution within
5 this state or to the state, the board, or any licensee of the
6 board, unless such person or the authorized representative of
7 the person shall be granted a manufacturer license issued by
8 the board.

9 "(b) No manufacturer licensee shall sell any
10 alcoholic beverages direct to any retailer or for consumption
11 on the premises where sold except as specified under
12 subsection (h) (1), nor sell or deliver any such alcoholic
13 beverages in other than original containers approved as to
14 capacity by the board and in accordance with standards of fill
15 prescribed by the U. S. Treasury Department, nor maintain or
16 operate within the state any place or places, other than the
17 place or places covered by the manufacturer license, where
18 alcoholic beverages are sold or where orders are taken.

19 "(c) Each manufacturer licensee shall be required to
20 file with the board, prior to making any sales in Alabama a
21 list of its labels to be sold in Alabama and shall file with
22 the board its federal certificate of label approvals or its
23 certificates of exemption as required by the U. S. Treasury
24 Department. All liquors and wines whose labels have not been
25 registered as herein provided for shall be considered
26 contraband and may be seized by the board or its agents, or
27 any peace officer of the State of Alabama without a warrant

1 and the goods shall be delivered to the board and disposed of
2 as provided by law.

3 "(d) All such manufacturer licensees shall be
4 required to mail to the board prior to the twentieth day of
5 each month a consolidated report of all shipments of alcoholic
6 beverages made to each wholesaler during the preceding month.
7 Such reports shall be in such form and containing such
8 information as the board may prescribe.

9 "(e) Every manufacturer shall keep at its principal
10 place of business within the state, daily permanent records
11 which shall show the quantities of raw materials received and
12 used in the manufacture of alcoholic beverages, and the
13 quantities of alcoholic beverages manufactured and stored, the
14 sale of alcoholic beverages, the quantities of alcoholic
15 beverages stored for hire or transported for hire by or for
16 the licensee and the names and addresses of the purchasers or
17 other recipients thereof.

18 "(f) Every place licensed as a manufacturer shall be
19 subject to inspection by members of the board or by persons
20 duly authorized and designated by the board at any and all
21 times of the day or night as they may deem necessary, for the
22 detection of violations of this chapter, of any law, or of the
23 rules and regulations of the board, or for the purpose of
24 ascertaining the correctness of the records required to be
25 kept by the licensees. The books and records of such licensees
26 shall, at all times, be open to inspection by members of the
27 board, or by persons duly authorized and designated by the

1 board. Members of the board and its duly authorized agents
2 shall have the right, without hindrance, to enter any place
3 which is subject to inspection hereunder, or any place where
4 such records are kept for the purpose of making such
5 inspections and making transcripts thereof.

6 "(g) Licenses issued under this section shall,
7 unless revoked in the manner provided in this chapter, be
8 valid for the license year commencing January 1 of each year.

9 "(h) (1) A manufacturer licensee actively and
10 continuously engaged in the manufacture of alcoholic beverages
11 on the manufacturer's licensed premises in the ~~State of~~
12 ~~Alabama~~ state may conduct tastings or samplings on the
13 licensed premises, as regulated by the ABC Board except as to
14 quantity and hours of operation, or as otherwise provided by
15 statute, and for that purpose give away or sell alcoholic
16 beverages manufactured there for consumption on only one
17 premises where manufactured.

18 "~~(2)~~ All alcoholic beverages manufactured and
19 retained on the manufacturer's licensed premises for tasting
20 or sampling shall remain on the premises and be dispensed from
21 a barrel or keg or other original containers.

22 "(2) A manufacturer licensee engaged in the
23 manufacture of liquor on the manufacturer's licensed premises
24 in the state may sell at retail on its licensed premises, for
25 off-premises consumption, liquor manufactured at that licensed
26 premises; provided, however, liquor sold for off-premises
27 consumption may not exceed 750 milliliters per customer per

1 day and shall be sealed, labeled, packaged, and taxed in
2 accordance with state and federal laws and regulations. The
3 manufacturer licensee shall keep and maintain records for
4 three years of all sales for off-premises consumption.

5 "(i) (1) In addition to the licenses provided for by
6 Chapter 3A of this title, and any county or municipal license,
7 there is levied on the manufacturer of the alcoholic beverages
8 dispensed on the premises the privilege or excise tax imposed
9 on beer by Sections 28-3-184 and 28-3-190; and imposed on
10 table wine by Section 28-7-18; and imposed on liquor by
11 Sections 28-3-200 to 28-3-205, inclusive. Every manufacturer
12 licensee shall file the tax returns, pay the taxes, and
13 perform all obligations imposed on wholesalers at the times
14 and places set forth therein. It shall be unlawful for any
15 manufacturer licensee who is required to pay the taxes so
16 imposed in the first instance to fail or refuse to add to the
17 sale price and collect from the purchaser the required amount
18 of tax, it being the intent and purpose of this provision that
19 each of the taxes levied is in fact a tax on the consumer,
20 with the manufacturer licensee who pays the tax in the first
21 instance acting merely as an agent of the state for the
22 collection and payment of the tax levied by Section 28-3-184;
23 as an agent for the county or municipality for the collection
24 and payment of the tax levied by Section 28-3-190; as an agent
25 for the county or municipality for collection and payment of
26 the tax levied by Section 28-7-18; and as an agent for the

1 state for collection and payment of the tax levied by Sections
2 28-3-200 to 28-3-205, inclusive.

3 "(2) The manufacturer licensee shall keep and
4 maintain all records required to be kept and maintained by
5 manufacturer, wholesaler, and retailer licensees for the tax
6 so levied."

7 Section 2. This act shall become effective on the
8 first day of the third month following its passage and
9 approval by the Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Fiscal Responsibility and Economic
Development..... 03-FEB-16

Read for the second time and placed on the calen-
dar 1 amendment..... 01-MAR-16

Read for the third time and passed as amended 10-MAR-16

Yeas 25
Nays 1

Patrick Harris
Secretary