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3 SENATE FR&ED COMMITTEE SUBSTITUTE FOR SB234  
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8 SYNOPSIS: Under existing law, licensed manufacturers  
9 of alcohol may conduct tastings, samplings, and  
10 retail sales on its licensed premises. Existing law  
11 also requires reporting on the sale of alcohol from  
12 and to licensed manufacturers.

13 This bill would clarify that for reporting  
14 purposes, manufacturers and brewpubs are not  
15 required to maintain name, address, or other  
16 personal demographic information for certain sales.  
17

18 A BILL  
19 TO BE ENTITLED  
20 AN ACT  
21

22 Relating to alcoholic beverages; to amend Sections  
23 28-3A-6 and 28-4A-3, Code of Alababma 1975, to clarify that  
24 manufacturers and brewpubs are not required to maintain name,  
25 address, or other personal demographic information for certain  
26 sales.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 28-3A-6 and 28-4A-3, Code of  
3 Alabama 1975, are amended to read as follows:

4 "§28-3A-6.

5 "(a) Upon applicant's compliance with the provisions  
6 of this chapter and the regulations made thereunder, the board  
7 shall issue to applicant a manufacturer license which shall  
8 authorize the licensee to manufacture or otherwise distill,  
9 produce, ferment, brew, bottle, rectify, or compound alcoholic  
10 beverages within this state or for sale or distribution within  
11 this state. No person shall manufacture or otherwise distill,  
12 produce, ferment, brew, bottle, rectify or compound alcoholic  
13 beverages within this state or for sale or distribution within  
14 this state or to the state, the board, or any licensee of the  
15 board, unless such person or the authorized representative of  
16 the person shall be granted a manufacturer license issued by  
17 the board.

18 "(b) No manufacturer licensee shall sell any  
19 alcoholic beverages direct to any retailer or for consumption  
20 on the premises where sold except as specified under  
21 subsection (h), nor sell or deliver any such alcoholic  
22 beverages in other than original containers approved as to  
23 capacity by the board and in accordance with standards of fill  
24 prescribed by the U. S. Treasury Department, nor maintain or  
25 operate within the state any place or places, other than the

1 place or places covered by the manufacturer license, where  
2 alcoholic beverages are sold or where orders are taken.

3 "(c) Each manufacturer licensee shall be required to  
4 file with the board, prior to making any sales in Alabama a  
5 list of its labels to be sold in Alabama and shall file with  
6 the board its federal certificate of label approvals or its  
7 certificates of exemption as required by the U. S. Treasury  
8 Department. All liquors and wines whose labels have not been  
9 registered as herein provided for shall be considered  
10 contraband and may be seized by the board or its agents, or  
11 any peace officer of the State of Alabama without a warrant  
12 and the goods shall be delivered to the board and disposed of  
13 as provided by law.

14 "(d) All such manufacturer licensees shall be  
15 required to mail to the board prior to the twentieth day of  
16 each month a consolidated report of all shipments of alcoholic  
17 beverages made to each wholesaler during the preceding month.  
18 Such reports shall be in such form and containing such  
19 information as the board may prescribe.

20 "(e) Every manufacturer shall keep at its principal  
21 place of business within the state, daily permanent records  
22 which shall show the quantities of raw materials received and  
23 used in the manufacture of alcoholic beverages, and the  
24 quantities of alcoholic beverages manufactured and stored, the  
25 sale of alcoholic beverages, the quantities of alcoholic  
26 beverages stored for hire or transported for hire by or for

1 the licensee and the names and addresses of the purchasers or  
2 other recipients thereof.

3 "(f) Every place licensed as a manufacturer shall be  
4 subject to inspection by members of the board or by persons  
5 duly authorized and designated by the board at any and all  
6 times of the day or night as they may deem necessary, for the  
7 detection of violations of this chapter, of any law, or of the  
8 rules and regulations of the board, or for the purpose of  
9 ascertaining the correctness of the records required to be  
10 kept by the licensees. The books and records of such licensees  
11 shall, at all times, be open to inspection by members of the  
12 board, or by persons duly authorized and designated by the  
13 board. Members of the board and its duly authorized agents  
14 shall have the right, without hindrance, to enter any place  
15 which is subject to inspection hereunder, or any place where  
16 such records are kept for the purpose of making such  
17 inspections and making transcripts thereof.

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

21 "(h) (1) A manufacturer licensee actively and  
22 continuously engaged in the manufacture of alcoholic beverages  
23 on the manufacturer's licensed premises in the state may  
24 conduct tastings or samplings on the licensed premises, as  
25 regulated by the ABC Board except as to quantity and hours of  
26 operation, or as otherwise provided by statute, and for that

1 purpose give away or sell alcoholic beverages manufactured  
2 there for consumption on only one premises where manufactured.

3 "All alcoholic beverages manufactured and retained  
4 on the manufacturer's licensed premises for tasting or  
5 sampling shall remain on the premises and be dispensed from a  
6 barrel or keg or other original containers.

7 "(2) Notwithstanding subdivision (1), a manufacturer  
8 licensee engaged in the manufacture of less than 60,000  
9 barrels of beer per year may sell at retail on its licensed  
10 premises in the state, for off-premises consumption, beer  
11 produced at that licensed premises; provided, however, beer  
12 sold for off-premises consumption: May not exceed 288 ounces  
13 per customer per day; may not be produced pursuant to a  
14 contract with another manufacturer; and shall be sealed,  
15 labeled, packaged, and taxed in accordance with state and  
16 federal laws and regulations. For purposes of this  
17 subdivision, beer produced by a parent, subsidiary, or  
18 affiliate of the licensee, or by a contract brewery,  
19 regardless of where the beer is produced, shall be included  
20 for purposes of calculating the 60,000 barrel limit.

21 "(3) A manufacturer licensee engaged in the  
22 manufacture of liquor on the manufacturer's licensed premises  
23 in the state may sell at retail on its licensed premises, for  
24 off-premises consumption, liquor manufactured at that licensed  
25 premises; provided, however, liquor sold for off-premises  
26 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 "(4) Notwithstanding subdivision (1), the board may  
6 grant a permit allowing a manufacturer licensee engaged in the  
7 manufacture of less than 50,000 gallons of table wine per year  
8 in the state to establish and operate one additional off-site  
9 tasting room to be used to conduct tastings or samplings and  
10 to sell at retail the licensee's table wine. The board may  
11 also grant a single permit allowing an association  
12 representing the majority of wineries and grape growers in the  
13 state to establish and operate one off-site tasting room to be  
14 used to conduct tastings and samplings and to sell at retail  
15 table wines produced by wine manufacturer licensees in the  
16 state. An applicant for an off-site tasting room permit shall  
17 file a written application with the board in such form and  
18 containing such information as the board may prescribe, along  
19 with proof of consent and approval from the appropriate  
20 governing authority in which the off-site tasting room is to  
21 be located and a filing fee of fifty dollars (\$50). All state  
22 and federal laws and regulations applicable to on-site tasting  
23 rooms shall apply to an off-site tasting room. Wine sold at an  
24 off-site tasting room for off-premises consumption may not  
25 exceed one case of wine per customer per day. For purposes of

1 this subdivision, one case of wine means the equivalent of  
2 twelve 750-milliliter bottles of wine.

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

1           "(2) The manufacturer licensee shall keep and  
2 maintain all records required to be kept and maintained by  
3 manufacturer, wholesaler, and retailer licensees for the tax  
4 so levied except that manufacturers are not required to  
5 maintain name, address, or other personal demographic  
6 information for sales as provided in 28-3A-6(h).

7           "(j) A manufacturer licensee engaged in the  
8 manufacture of beer in the state may donate and deliver up to  
9 two kegs of the manufacturer's beer to a licensed charitable  
10 special event operated by or on behalf of a nonprofit  
11 organization. Donations shall be taxed in accordance with  
12 state and federal laws and regulations. Any beer remaining at  
13 the conclusion of the charitable event shall be returned to  
14 the manufacturer for disposal.

15           "(k) A manufacturer licensee engaged in the  
16 manufacture of table wine in the state may donate and deliver  
17 up to two cases of the manufacturer's table wine to a licensed  
18 charitable special event operated by or on behalf of a  
19 nonprofit organization. Donations shall be taxed in accordance  
20 with state and federal laws and regulations. Any table wine  
21 remaining at the conclusion of the charitable event shall be  
22 returned to the manufacturer for disposal.

23           "§28-4A-3.

24           "(a) In addition to the licenses authorized to be  
25 issued and renewed by the board pursuant to the Alcoholic  
26 Beverage Licensing Code codified as Chapter 3A of this title,



1 the board, upon applicant's compliance with the provisions of  
2 this chapter and with Chapter 3A and the regulations made  
3 thereunder, is authorized to issue to a qualified applicant a  
4 brewpub license which shall authorize the licensee to  
5 manufacture or brew beer, in a quantity not to exceed 10,000  
6 barrels in any one year and to sell beer brewed on the  
7 licensed premises in unpackaged form at retail for on-premises  
8 consumption at the licensed premises only; to sell beer brewed  
9 on the licensed premises in packaged form at retail for  
10 off-premises consumption, provided the beer sold for  
11 off-premises consumption may not exceed 288 ounces per  
12 customer per day and shall be sealed, labeled, packaged, and  
13 taxed in accordance with state and federal laws and  
14 regulations; to sell beer brewed on the premises in original,  
15 unopened barrel or keg containers to any licensed wholesaler  
16 designated by a brewpub licensee pursuant to Sections 28-8-2  
17 and 28-9-3 for resale to retail licensees; to donate and  
18 deliver up to two kegs of the licensee's beer to a licensed  
19 charitable special event operated by or on behalf of a  
20 nonprofit organization; provided, however, donations shall be  
21 taxed in accordance with state and federal laws and  
22 regulations, and any beer remaining at the conclusion of the  
23 charitable event shall be returned to the manufacturer for  
24 disposal; and to purchase beer, including draft or keg beer,  
25 in original, unopened containers from licensed wholesalers and  
26 to sell such beer at retail for on-premises consumption only,

1 in a room or rooms or place on the licensed premises at all  
2 times accessible to the use and accommodation of the general  
3 public, subject to the following conditions:

4 "(1) The proposed location of the premises shall  
5 not, at the time of the original application, be prohibited by  
6 a valid zoning ordinance or other ordinance in the valid  
7 exercise of police power by the governing body of the  
8 municipality or county in which the brewpub is located.

9 "(2) Beer brewed by the brewpub licensee shall be  
10 packaged or contained in barrels from which the beer is to be  
11 dispensed only on the premises where brewed for consumption on  
12 the premises or sold in original, unopened barrel or keg  
13 containers to any designated wholesaler licensee for resale to  
14 retailer licensees.

15 "(3) The brewpub must contain and operate a  
16 restaurant or otherwise provide food for consumption on the  
17 premises.

18 "(4) The brewpub may not sell any alcoholic  
19 beverages if it is not actively and continuously engaged in  
20 the manufacture or brewing of alcoholic beverages on the  
21 brewpub's licensed premises.

22 "(b) The annual license fee levied and prescribed  
23 for a license as a brewpub issued or renewed by the board  
24 pursuant to the authority of this chapter is \$1,000.

25 "(c) Except as provided in this subsection, the  
26 provisions of this title shall be applicable. The provisions

1 of Section 28-3-4 and subsection (b) of Section 28-3A-6, shall  
2 not be applicable with regard to beer brewed by the brewpub  
3 and sold and dispensed on the brewpub premises. In all other  
4 respects, Section 28-3-4, ~~and~~ Section 28-3A-6(b), and  
5 28-3A-6(i)(2) shall be applicable."

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