

1 SB298
2 189900-1
3 By Senators Orr, Stutts, Holtzclaw and Reed
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 08-FEB-18

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8 SYNOPSIS: Under existing law, liquor wholesale
9 licensees may sell liquor at wholesale to the
10 Alabama Alcoholic Beverage Control Board or as
11 authorized by the board, but not other than to a
12 retail licensee of the board. Under existing law,
13 state liquor stores operated by the Alabama
14 Alcoholic Beverage Control Board and certain
15 licensed private retail stores may sell liquor at
16 retail. Under existing law, retail licensees of the
17 board must purchase liquor from the board for
18 resale.

19 This bill would require the Alabama
20 Alcoholic Beverage Control Board to phase out
21 retail sale of alcoholic beverages by the board
22 prior to October 1, 2023, but continue all other
23 functions prescribed by law; require the board to
24 obtain the best available price for fixed assets,
25 equipment, and property; and require the Department
26 of Economic and Community Affairs to provide
27 certain technical assistance.

1 This bill would create a special fund into
2 which proceeds from the sale of fixed assets,
3 equipment, and property would be deposited and
4 provide that moneys in the fund shall be
5 appropriated annually to pay phase-out costs,
6 including employee benefits.

7 This bill would establish an application,
8 review, appeal, and investigation process for
9 licensees.

10 This bill would provide for the sale,
11 transfer, and surrender of licenses; provide that
12 persons possessing the authority to sell liquor for
13 off-premises consumption on the date of the
14 introduction of this bill may continue to operate
15 according to the existing license; and prohibit all
16 other persons from selling liquor for off-premises
17 consumption.

18 This bill would provide for the markup on
19 all alcohol sold by the board; provide for the
20 distribution of proceeds; provide that liquor sold
21 by the board shall be subject to existing taxes;
22 provide for the redistribution of certain tax
23 proceeds; provide for the reallocation of a portion
24 of the proceeds of existing taxes on table wine;
25 and provide for the distribution of local sales
26 taxes on the sale of liquor by retail licensees.

1 This bill would require the board to
2 implement a hiring freeze of certain employees; and
3 grant certain benefits to displaced employees,
4 including additional consideration for staffing
5 retail operations during the phase-out.

6 This bill would levy a fee for a retail
7 license and allow for a fee increase for licenses
8 issued by the board.

9 This bill would create the Retailer Advisory
10 Committee and would require the committee to review
11 product selection decisions of the board and report
12 irregularities and violations to the Attorney
13 General and the State Ethics Commission; advise the
14 board on distribution, warehousing, and licensee
15 policies; and provide for the selection and
16 appointment of a nonvoting member to the board.

17 This bill would provide for the distribution
18 of certain payments delayed for inventory purposes;
19 and permit the board to enter contracts for certain
20 warehousing functions.

21
22 A BILL
23 TO BE ENTITLED
24 AN ACT

25
26 To amend Sections 28-1-4, 28-2-22, 28-3-40, 28-3-43,
27 28-3-53.1, 28-3-53.2, 28-3-202, 28-3-205, 28-3-207, 28-3-241,

1 28-3A-11, 28-3A-12, 28-3A-19, 28-3A-21, 28-3A-22, and 28-7-16
2 of the Code of Alabama 1975, regarding the sale of alcoholic
3 beverages and the Alabama Alcoholic Beverage Control Board;
4 requiring the Alabama Alcoholic Beverage Control Board to
5 phase out operations concerning the retail sale of alcoholic
6 beverages and granting these privileges to licensees of the
7 board; granting certain powers to the board to facilitate the
8 phase-out process, including the establishment of a fund from
9 which certain moneys may be expended for phase-out costs;
10 establishing application requirements for retail licensees and
11 identifying licensee qualifications and disqualifications;
12 providing for annual retail license fees and annual renewal of
13 retail licenses; providing that license fees may be increased
14 by the board; requiring approval for the sale, assignment, or
15 transfer of retail licenses and for the surrender of retail
16 licenses; providing that certain existing retail licensees of
17 the board may continue to sell liquor for off-premises
18 consumption and prohibiting the sale or transfer of these
19 licenses; providing for the markup on alcohol sales and the
20 distribution of proceeds; providing for the reallocation of
21 the proceeds of the tax on table wine; providing certain
22 consideration, treatment, and benefits for displaced
23 employees; providing for license fees for retail licensees;
24 specifying the remaining functions of the board; creating the
25 Retailer Advisory Committee and prescribing its duties;
26 providing for the distribution of certain payments delayed for
27 inventory purposes; permitting the board to enter into

1 contracts for warehousing functions; and repealing Sections
2 28-3-74 and 28-3-280 through 28-3-286 of the Code of Alabama
3 1975.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. For the purposes of this act, the
6 following terms have the following meanings unless the context
7 clearly indicates otherwise:

8 (1) APPLICANT. A person who applies for a retail
9 license or who seeks the approval of the board to purchase or
10 otherwise acquire a retail license from a retail licensee in
11 accordance with this act.

12 (2) APPLICATION. The form prescribed by the board
13 and filed with the board by a person applying for a retail
14 license.

15 (3) BOARD. The Alabama Alcoholic Beverage Control
16 Board.

17 (4) RETAIL LICENSE. A retail license permitting the
18 purchase of liquor from the board and the retail sale of the
19 liquor in original unopened containers for off-premises
20 consumption.

21 (5) EXECUTIVE OFFICER. The president of an applicant
22 or retail licensee, a vice-president of an applicant or retail
23 licensee in charge of a principal business unit or division,
24 or any other officer of an applicant or retail licensee who
25 performs a policy-making function.

26 (6) LIQUOR. The definition prescribed in Section
27 28-3-1 of the Code of Alabama 1975.

1 (7) PERSON. A natural person, corporation,
2 partnership, association, or other type of business
3 organization.

4 (8) RETAIL LICENSEE. The holder of a retail license.

5 (9) RETAIL OUTLET. A specific location where liquor
6 may be lawfully sold by a retail licensee under this act.

7 Section 2. (a) The Alabama Alcoholic Beverage
8 Control Board shall phase out the retail sale of alcoholic
9 beverages prior to October 1, 2023, and shall by that date
10 close all state operated liquor stores and all retail
11 operations and functions. The phase out shall be on a staggered
12 basis as determined by the Alabama Alcoholic Beverage Control
13 Board based on the following factors in order of priority: (1)
14 the lease end date; (2) profitability; and (3) the proximity
15 of surrounding state operated liquor stores. At least twenty
16 percent of state operated liquor stores shall be closed by
17 October 1 of each year beginning October 1, 2019.

18 (b) (1) Notwithstanding Article 6 (commencing with
19 Section 41-16-120) of Chapter 16 of Title 41, Code of Alabama
20 1975, or any other law, the board, prior to October 1, 2023,
21 shall sell, liquidate, transfer, and dispose of all fixed
22 assets, equipment, and property of state operated liquor
23 stores and retail operations of the board. Any fixed assets,
24 equipment, and property not sold by the board by October 1,
25 2023, shall be sold by the board as soon as possible.

26 (2) The board shall obtain the best available price
27 for the fixed assets, equipment, and property.

1 (3) The Department of Economic and Community Affairs
2 shall provide technical assistance to the board in performing
3 the functions required by this section relating to the
4 disposal of fixed assets, equipment, and property.

5 (4) When the board closes a state operated liquor
6 store, the inventory remaining in the store shall be disposed
7 of in one of the following manners:

8 a. transferred directly to another state operated
9 liquor store if financially advantageous to the state.

10 b. returned to the warehouse of the board or the
11 warehouse operated for the board.

12 c. sold to a licensee of the board at a reasonable
13 price, including a discounted price, if this method of
14 disposition is the most financially advantageous to the state.
15 The proceeds of the sale of inventory in this manner shall be
16 treated the same as the proceeds of the sale of liquor.

17 Section 3. (a) The Alcoholic Beverage Control Board
18 Retail Phase-Out Fund is created in the State Treasury. The
19 board shall deposit all proceeds from the sale of fixed
20 assets, equipment, and property into the fund.

21 (b) The moneys in the fund shall be appropriated
22 annually to pay expenses directly related to the closing of
23 state operated liquor stores and retail operations, including,
24 but not limited to, the payment of all employee costs
25 associated with the phase-out of retail operations of the
26 board. Moneys in the fund shall be allocated by warrants drawn
27 on the State Comptroller upon requisition signed by the

1 members of the board. If at any time there are insufficient
2 funds to pay these expenses, the board shall pay the expenses
3 from other funds appropriated to the board. When sufficient
4 funds are in the Alcoholic Beverage Control Board Retail
5 Phase-Out Fund, the board shall be repaid from the fund for
6 the amounts expended.

7 (c) Any remaining moneys in the fund after all
8 qualified expenses have been paid shall be transferred into
9 the State General Fund.

10 Section 4. (a) The board shall terminate all leases
11 associated with state operated liquor stores and retail
12 operations as these stores and operations are closed. The
13 board shall not enter into a lease as the lessee in regard to
14 any property, building, or facility used for retail operations
15 of the board. The board shall assist lessors of existing state
16 operated liquor stores in arranging lease agreements with
17 licensees of the board.

18 (b) Neither the board nor a public officer,
19 including, but not limited to, the Governor, shall have the
20 authority to perform any of the following functions; and any
21 provision or portion of the Alabama Alcoholic Beverage Control
22 Act, Title 28 (commencing with Section 28-1-1) of the Code of
23 Alabama 1975 or other law granting such authority is
24 considered repealed:

25 (1) Execute, by action or lack of action, any
26 provision of an existing lease relating to state operated
27 liquor stores or retail operations of the board which would

1 renew or extend the term of the lease or incur a new
2 obligation upon the board or the state.

3 (2) Execute an extension or renewal of an existing
4 lease relating to state operated liquor stores or retail
5 operations of the board.

6 (3) Execute a new lease relating to state operated
7 liquor stores or retail operations of the board.

8 (c) The board shall accept and enforce any option
9 included in an existing lease relating to state operated
10 liquor stores or retail operations permitting termination of
11 the lease, including, but not limited to, any of the
12 following:

13 (1) Options permitting the board to terminate a
14 lease if certain existing law or provisions therein are
15 repealed.

16 (2) Options permitting the termination of the lease
17 if the Legislature fails to appropriate sufficient funds for
18 the board to make rental payments.

19 (3) Options permitting the termination of a lease if
20 the lease constitutes a debt of the state in violation of
21 Section 213 of the Official Recompilation of the Constitution
22 of Alabama of 1901, as amended.

23 Section 5. The board shall have all the following
24 duties:

25 (1) Prescribe application forms for persons desiring
26 to acquire retail licenses and adopt an orderly procedure and

1 timetable for investigating, processing, and approving
2 applications.

3 (2) Develop a retail license to be issued to each
4 retail licensee under this act.

5 (3) Disseminate information relating to the issuance
6 of retail licenses to the public.

7 (4) Enforce the provisions of this act.

8 (5) Adopt, amend, or repeal rules of the board to
9 conform with the requirements of this act. These rules shall
10 be adopted, amended, and repealed in accordance with the
11 Administrative Procedure Act, Chapter 22 (commencing with
12 Section 41-22-1) of Title 41 of the Code of Alabama 1975.

13 Section 6. (a) Each applicant shall file an
14 application with the board, stating under oath each of the
15 following:

16 (1) If the applicant is an individual, his or her
17 name and residence address.

18 (2) If the applicant is a corporation, limited
19 partnership, partnership, association, or other business
20 organization; the name and business address of the applicant;
21 the state of its incorporation or organization; the names and
22 residence addresses of each executive officer, director, or
23 general partner of the entity; and the names and residence
24 addresses of any person owning, directly or indirectly, at
25 least 20 percent of the outstanding stock of or partnership
26 interests in the applicant.

1 (3) If the applicant holds any licenses, the number
2 currently held, and the number of retail outlets owned.

3 (b) An applicant shall provide the board any
4 additional information requested.

5 (c) Whenever a change occurs in information provided
6 to the board, including, but not limited to, information
7 concerning a criminal conviction, the change shall immediately
8 be reported to the board in the same manner as originally
9 provided.

10 (d) No applicant shall be eligible to hold or issued
11 at any time a retail license under this act in either of the
12 following instances:

13 (1) The applicant has been convicted in this state,
14 in any other state, or in any federal court of a felony.

15 (2) An executive officer, director, or general
16 partner of the applicant, or a person owning, directly or
17 indirectly, at least 20 percent of the outstanding stock of or
18 partnership interests in the applicant, has been convicted in
19 this state, in any other state, or in any federal court of a
20 felony. Prior to revoking a license under this subsection, the
21 board shall give the executive officer, director, general
22 partner, or owner of stock or partnership interest who has
23 been convicted of such a crime a reasonable time to vacate the
24 position or sell their interests. If the position is vacated
25 or the interest is sold to a person approved by the board
26 within that time period, the entity may continue to hold the
27 license.

1 Section 7. (a) Upon receipt of an application for a
2 retail license and such supplemental information as the board
3 may require, the board shall conduct an investigation of an
4 applicant.

5 (b) Upon the completion of the investigation of an
6 applicant, the board shall inform the applicant in writing
7 whether the application has been approved or denied, and shall
8 post a copy of the decision in the office of the board.

9 (c) When an application is denied, the board shall
10 provide the applicant the reasons for the denial, including
11 specific findings of fact, and the applicant shall be entitled
12 to a hearing before the board as provided in Section 28-3A-24
13 of the Code of Alabama 1975.

14 (d) An applicant shall provide all information
15 required by this act in the form specified by the board and
16 shall satisfy all requests for information pertaining to
17 qualifications. By filing an application, an applicant shall
18 waive any liability of the board for any damages resulting
19 from a disclosure or publication of any material or
20 information acquired during inquiries, investigations, or
21 hearings unless the board acted in an unreasonable or reckless
22 manner.

23 Section 8. Any person who gives a person any thing
24 of value to induce the other to refrain from operating an
25 outlet authorized under a retail license is guilty of a
26 misdemeanor and, upon conviction, shall be fined not more than
27 ten thousand dollars (\$10,000); and, in addition, shall be

1 subject to a civil penalty payable to the administrator of not
2 more than one million dollars (\$1,000,000).

3 Section 9. (a) The annual retail license period
4 shall be from October 1 to September 30. The annual retail
5 license fee for a retail license shall be the sum specified in
6 Section 28-3A-21 of the Code of Alabama 1975. The annual
7 retail license fee for the initial year of issuance shall be
8 prorated based on the number of days remaining between the
9 date of issuance and the following September 30.

10 (b) All retail licenses shall expire on September 30
11 of each year and may be renewed only upon submission to the
12 board of the same information required for the issuance of the
13 license and any additional information requested by the board.
14 The information shall be submitted on forms and by the date
15 prescribed by the board. The payment to the board of the
16 applicable annual retail license fee shall accompany this
17 information.

18 (c) The board may suspend or revoke a license in the
19 manner prescribed by law. No person may sell liquor at a
20 retail outlet if the retail license applicable to the outlet
21 has been suspended, revoked, or expired. If a license has been
22 revoked or has expired, the board shall proceed to issue the
23 retail license for the remaining license period to a new
24 eligible licensee.

25 (d) If the area or a portion of the area in which a
26 licensee prohibits the retail sale of liquor, the licensee
27 shall not be permitted to sell liquor in that area or that

1 portion of the area. If, within the license period, the area
2 or the portion of the area subsequently permits the sale of
3 liquor, the licensee may resume the retail sale of liquor as
4 authorized by the license for the remaining license period. If
5 a licensee is prohibited from selling liquor, the licensee
6 shall not be entitled to a refund of any portion of the annual
7 license fee.

8 Section 10. (a) No person may purchase or otherwise
9 acquire a retail license unless the board has first approved
10 the qualifications of the person to hold the retail license.

11 (b) No person may sell, assign, or otherwise
12 transfer a retail license without the prior written approval
13 of the board. In no instance shall a retail licensee that
14 purchased a retail license for a closing state operated store
15 transfer such license or purchase more than five such license
16 at closing state operated stores within one year. For purposes
17 of this section, the merger of a retail licensee or the sale
18 of more than 50 percent of the outstanding stock or
19 partnership interests in the retail licensee shall be deemed
20 to be a sale, assignment, or transfer of a retail license. Any
21 license sold, assigned, or transferred shall remain effective
22 for the remainder of the license period.

23 Section 11. A retail licensee may surrender a retail
24 license to the board at any time. The board may then proceed
25 to issue the retail license for the remaining license period
26 to a new eligible licensee.

1 Section 12. (a) In addition to the retail licensees
2 provided for under this act, only existing licensees with the
3 authority, on the date this act was introduced into the
4 Legislature of Alabama, to sell liquor in the original
5 unopened containers at retail for off-premises consumption may
6 continue to sell liquor in the original unopened containers at
7 retail for off-premises consumption according to the terms of
8 the license on the date of issuance to the licensee.
9 Notwithstanding any other law, these licensees may annually
10 renew this license with this privilege. Notwithstanding any
11 other law, these licensees may not sell or transfer the
12 license.

13 (b) Retail licenses and those licenses referred to
14 in subsection (a) shall be the only types of licenses issued
15 by the board authorizing the sale of liquor in original
16 unopened containers at retail for off-premises consumption.

17 (c) A retail licensee or any other person may sell
18 beer and table wine upon obtaining the proper license as
19 presently required by law.

20 Section 13. No retail licensee shall sell spirituous
21 or vinous liquor at a price below retail cost plus freight.

22 Section 14. A retail licensee may sell alcoholic
23 beverages to another licensee for purposes of resale in an
24 amount not to exceed two case lots per customer per day.

25 Section 15. Alcohol sold at retail in stores
26 operated by the Alabama Alcoholic Beverage Control Board prior
27 to October 1, 2023 shall be subject to the tax and markup

1 presently provided by law and the proceeds of that tax shall
2 be distributed as presently provided by law. Alcohol sold by
3 the board after retail stores have been phased-out shall be
4 subject to the markup provided in Section 28-3-53.2.

5 Section 16. (a) (1) This act shall not be construed
6 to prohibit a municipality from collecting municipal sales
7 taxes on liquor sold by any retail licensee of the board,
8 including, but not limited to, a retail licensee at the same
9 rate levied by the municipality on the sales of other tangible
10 property.

11 (2) If a local law allocated a portion of sales tax
12 proceeds received by the municipality, pursuant to Section
13 28-3-280 to Section 28-3-286, inclusive, Code of Alabama 1975,
14 the same amount of sales tax proceeds received by the
15 municipality in the base year from sales taxes on the sale of
16 liquor in original unopened containers by licensees of the
17 board for off-premises consumption shall be allocated in the
18 same manner at the same intervals by the municipality until
19 otherwise provided by local law. The remaining amounts
20 collected by the municipality shall be distributed as provided
21 by general or local law.

22 (3) For the purposes of this subsection, the last
23 full state tax year prior to the effective date of this act
24 shall be referred to as the base year.

25 (b) (1) This act shall not be construed to prohibit a
26 county that is authorized to levy a sales tax, in addition to
27 the tax authorized by Section 40-12-4 of the Code of Alabama

1 1975, from collecting the county sales tax on the retail sale
2 of liquor in original unopened containers for off-premises
3 consumption by a licensee of the board at the same rate levied
4 by the county on the sales of other tangible property. This
5 act shall not be construed as granting this taxing authority
6 to a county.

7 (2) If a local law allocated a portion of sales tax
8 proceeds received by the county, pursuant to Section 28-3-280
9 to Section 28-3-286, inclusive, Code of Alabama 1975, the same
10 amount of sales tax proceeds received by the county on the
11 sale of liquor in original unopened containers for
12 off-premises consumption by a licensee of the board shall be
13 allocated in the same manner at the same intervals by the
14 county until otherwise provided by local law. The remaining
15 amounts collected by the county shall be distributed as
16 provided by general or local law.

17 (3) For the purposes of this subsection, the last
18 full state tax year prior to the effective date of this act
19 shall be referred to as the base year.

20 Section 17. (a) Upon the effective date of this act,
21 the board shall implement a hiring freeze on the employment of
22 new employees for the board's retail operations. This hiring
23 freeze shall continue until October 1, 2023. If an essential
24 position must be filled during the hiring freeze, the board
25 shall fill the position with a displaced retail employee, if
26 the employee is qualified. If a displaced retail employee is
27 determined unqualified for the essential position, the

1 employee may request that the Director of the State Personnel
2 Department determine if the employee is qualified. Upon
3 request, the director shall make the determination and notify
4 the employee and the board. If the director determines the
5 employee is qualified, the board shall offer the position to
6 the employee. If there are no displaced retail employees
7 qualified to fill an essential position, the board may
8 contract with an individual to fill the essential position
9 during the hiring freeze. The employment contract shall not
10 extend beyond September 30, 2023. The board shall fill
11 nonessential positions with displaced employees of the retail
12 operations of the board as provided in subsection (e).

13 (b) In order to ensure the efficient and effective
14 operation of the retail operations of the board during the
15 phase-out period, the state shall enter into contracts with
16 employees involved in the retail operations of the board. For
17 additional consideration tendered by these employees in
18 agreeing to provide the necessary staffing of the retail
19 operations during the phase-out period and until the date of
20 termination of employment with the board, the state shall
21 agree to pay the employee additional compensation in a lump
22 sum equivalent to three months of annual salary. Payment to
23 these employees for the rendering of additional services shall
24 be on the same date as payment of the final salary owed.
25 Moneys in the fund established in Section 3 shall be used for
26 these payments.

1 (c) The board shall locate displaced employees of a
2 closed state operated liquor store in an open state operated
3 liquor store requested by the employee, if feasible.

4 (d) The board may permit displaced employees of the
5 retail operations to work part-time.

6 (e) The board shall permit displaced employees of
7 the retail operations to transfer to other board operations,
8 if feasible.

9 (f) Displaced employees of the retail operations of
10 the board, subject to state law, may transfer to other
11 positions within the State Personnel System and shall be given
12 preference if qualified.

13 (g) Upon authorization of the State Personnel
14 Director, a state Merit System employee who loses his or her
15 job as a direct consequence of this act may be added to any
16 certification for employment for any register on which the
17 employee's name appears for a period of two years following
18 his or her layoff date. An appointing authority who passes
19 over such a displaced employee shall file in writing with the
20 Director of the State Personnel Department the reason for
21 passing over the displaced employee. The written reason shall
22 become a part of the file of the displaced employee, but shall
23 only be available for review by the displaced employee.

24 (h) A licensee of the board who employs full-time,
25 for a period of 12 consecutive months or longer, a displaced
26 state Merit System employee of the board who lost his or her
27 job as a direct consequence of this act, as determined by the

1 Director of the State Personnel Department, shall be given a
2 20 percent discount on license and permit fees collected by
3 the board for each complete year the displaced employee is
4 employed full-time. No licensee may receive a discount for
5 more than five years. The board shall require necessary
6 verification of such employment.

7 Section 18. The board shall continue to perform all
8 other functions required by law, including, but not limited
9 to, the wholesale sale of liquor, licensing, audit and
10 collection.

11 Section 19. (a) The board shall readily supply to a
12 licensee any liquor product requested by the licensee if the
13 product conforms to the requirements of federal and state law
14 and if the product is available to the board.

15 (b) The board shall negotiate the best possible
16 purchase price for all liquor obtained by the board.

17 (c) The board shall sell liquor to a licensee at a
18 price equal to the purchase price of the liquor negotiated by
19 the board plus excise taxes, freight, and markup.

20 Section 20. (a) The Retailer Advisory Committee is
21 established. The committee shall be composed of five members.
22 The President Pro Tempore of the Senate shall appoint two
23 licensees, or an executive officer of the licensee, to the
24 committee. The Speaker of the House of Representatives shall
25 appoint two licensees, or the executive officer of a licensee,
26 to the committee. The Governor shall appoint one resident of
27 the state to the committee who shall represent the interests

1 of consumers. Members of the committee shall serve at the
2 pleasure of the appointing authority. Members shall serve
3 until a successor is named and assumes the office.

4 (b) The membership of the committee shall be
5 inclusive and reflect the racial, gender, geographic,
6 urban/rural, and economic diversity of the state. The
7 committee shall report annually to the Legislature by the
8 second legislative day of each regular session the extent to
9 which the appointing authorities have complied with the
10 diversity provision of this act.

11 (c) The committee shall meet quarterly, and at other
12 necessary times as determined by the committee. A majority of
13 the members of the committee shall constitute a quorum. The
14 board shall provide clerical and technical assistance to the
15 committee and necessary office space.

16 (d) The committee shall review the policies and
17 procedures of the board concerning the availability of the
18 products offered to licensees of the board, distribution of
19 products, warehousing of products, and licensees.

20 (e) The committee shall review prices charged by the
21 board for products sold to licensees. The committee shall also
22 review any complaint filed with the board or the committee
23 regarding the availability of liquor offered to licensees of
24 the board, including, but not limited to, complaints regarding
25 the failure of the board to readily supply requested liquor
26 products as required by subsection (a) of Section 19. The
27 members of the board and employees of the board shall supply

1 the committee with all requested information regarding product
2 selections, offerings, availabilities, and pricing.

3 (f) The committee shall select and appoint one
4 member to the board to serve as one nonvoting member of the
5 board.

6 (g) Any irregularity or possible violation of law
7 discovered by the committee concerning product selections,
8 offerings, availability, pricing or any other violation shall
9 be immediately reported by the committee to both of the
10 following entities:

11 (1) The Attorney General, who shall take proper
12 action to ensure the laws of the state are enforced.

13 (2) The State Ethics Commission. The report of the
14 committee shall be in the form of a complaint, as required in
15 Section 36-25-4 of the Code of Alabama 1975, so that the State
16 Ethics Commission, pursuant to law, shall commence an
17 investigation regarding the irregularity or possible violation
18 of law.

19 Section 21. Sections 28-1-4, 28-2-22, 28-3-40,
20 28-3-43, 28-3-53.1, 28-3-53.2, 28-3-202, 28-3-205, 28-3-207,
21 28-3-241, 28-3A-11, 28-3A-12, 28-3A-19, 28-3A-21, 28-3A-22,
22 and 28-7-16 of the Code of Alabama 1975, are amended to read
23 as follows:

24 "§28-1-4.

25 "(a) The words and phrases used in this section
26 shall have the meanings ascribed to them in Section 28-3-1 and

1 any acts amendatory thereof, supplementary thereto or
2 substituted therefor.

3 "(b) It shall be unlawful for common or permit
4 carriers, operators of trucks, buses, l or other conveyances or
5 out-of-state manufacturers or suppliers to make delivery of
6 any alcoholic beverage from without the State of Alabama to
7 ~~any~~ a person, association, l or corporation within the state,
8 except to the Alabama Alcoholic Beverage Control Board and to
9 manufacturers, importers, wholesalers, l ~~and~~ warehouses, and
10 other persons or entities licensed by the Alabama Alcoholic
11 Beverage Control Board to receive the alcoholic beverages so
12 delivered.

13 "(c) ~~Any~~ A violation of subsection (a) of this
14 section shall be a misdemeanor, punishable as provided in
15 paragraph (1) of subsection (b) of Section 28-3A-25.

16 "~~(d) All laws or parts of law which conflict or are~~
17 ~~inconsistent with this section are hereby repealed, provided,~~
18 ~~however, the provisions of Section 28-1-3 are excluded.~~

19 "§28-2-22.

20 "(a) If the majority of the voters in ~~any~~ a county
21 approve the sale and distribution of alcoholic beverages under
22 this article as provided in Section 28-2-21, the sale of
23 alcoholic beverages in such county shall be governed by the
24 following conditions:

25 "(1) Within 90 days after the affirmative vote of
26 the voters of a county, each governing body of ~~any~~ an
27 incorporated municipality within such county may vote to

1 exclude the sale of alcoholic beverages within its limits as
2 provided for in this article. If the governing body does not
3 take such action 90 days after the affirmative election, ~~the~~
4 ~~provisions of~~ this article shall apply for a period of 10
5 years, after which the municipality shall again have 90 days
6 to exclude ~~said~~ the municipality. Should a municipality choose
7 to exclude the application of this article from its limits, it
8 may, by its own action, include the municipality under the
9 provisions of this article at any subsequent time for a period
10 of 10 years and, after ~~said~~ the 10-year period, shall have 90
11 days to continue or discontinue its applicability. A
12 municipality may, within the 90-day period, submit the
13 decision on the applicability of this article to its voters by
14 a special election, ~~said~~ the election being binding on the
15 governing body.

16 "(2) The governing body of ~~any~~ a county which has
17 adopted the special method as provided in Section 28-2-21 may
18 from time to time vote to exclude the sale of alcoholic
19 beverages within all or any part of its unincorporated areas,
20 but if a municipality annexes ~~any~~ an unincorporated area, that
21 area shall be subject to the rules of the municipality with
22 regard to the sale and distribution of alcoholic beverages.

23 "(3) Only nonrefrigerated malt beverages may be sold
24 in any area in the county.

25 "(4) Spirituous or vinous liquors may only be sold
26 at stores operated by the Alabama Alcoholic Beverage Control
27 Board or as provided by general law.

1 "(5) Possession of alcoholic beverages in ~~any~~ an
2 area in a county where their sale has not been legalized is
3 prohibited.

4 "(6) The consumption of alcoholic beverages on the
5 premises where sold or in ~~any~~ a public place is prohibited.

6 "(b) ~~Any~~ A person who violates ~~any provision of~~ this
7 section shall be deemed guilty of a misdemeanor.

8 "§28-3-40.

9 "The Alcoholic Beverage Control Board shall consist
10 of ~~three~~ four persons, three of which shall be appointed by
11 the Governor with the advice and consent of the Senate, one of
12 whom shall be designated by the Governor to be the chair of
13 the board; and one which shall be appointed by the Retailer
14 Advisory Committee and serve as a nonvoting member. The
15 membership of the board shall be inclusive and reflect the
16 racial, gender, geographic, urban/rural, and economic
17 diversity of the state.

18 "Each member of the board at the time of his or her
19 appointment and qualification shall be a resident of the State
20 of Alabama and shall have resided in the state for a period of
21 at least 10 years next preceding his or her appointment and
22 qualification, and he or she shall also be a qualified voter
23 therein.

24 "The term of office of each member appointed shall
25 be six years from the time of his or her appointment and
26 qualification and until his or her successor shall qualify. In
27 case any member shall be allowed to hold over after the

1 expiration of his term, his or her successor shall be
2 appointed for the balance of the unexpired term. Vacancies in
3 the board shall be filled by the Governor for the unexpired
4 term. Each member shall be eligible for reappointment in the
5 discretion of the Governor.

6 "No person shall be eligible for appointment or
7 shall hold the office of member of the board or be appointed
8 by the board or hold any office or position under the board
9 who has any connection with any association, firm, person, or
10 corporation engaged in or conducting any alcoholic liquor
11 business of any kind or who holds stocks or bonds therein or
12 who has pecuniary interest therein, nor shall any such person
13 receive any commission or profit whatsoever from, or have any
14 interest whatsoever in any purchase or ~~sales~~ sale of any
15 alcoholic liquors, except for the nonvoting member appointed
16 by the Retailer Advisory Committee; provided, however, that if
17 any member of the board is appointed when the Senate is not in
18 session, such member shall hold office until the Senate has
19 had an opportunity to reject or confirm his or her
20 appointment.

21 "Members of the board may be suspended or removed by
22 the Governor at his or her pleasure.

23 "Each member of the board, before entering upon the
24 discharge of his or her duties, shall give bond payable to the
25 State of Alabama, in form approved by the Attorney General, in
26 such penalty as shall be fixed from time to time by the
27 Governor, with some surety or guaranty company duly authorized

1 to do business in Alabama and approved by the Governor, as
2 security, conditioned upon the faithful discharge of his or
3 her duties. The premium of such bond shall be paid by the
4 state and the bonds shall be filed as bonds of other state
5 officers.

6 "The office of the board shall be in the City of
7 Montgomery, Alabama. The board shall meet at such times within
8 the City of Montgomery, Alabama, as the board shall determine
9 and the members thereof shall be entitled to their reasonable
10 expenses and per diem for each meeting so attended. A majority
11 of the members shall constitute a quorum for the transaction
12 of any business, for the performance of any duty, or for the
13 exercise of any power of the board.

14 "§28-3-43.

15 "(a) The functions, duties, and powers of the board
16 shall be as follows:

17 "(1) To buy, manufacture, and sell at wholesale
18 alcoholic beverages and to have alcoholic beverages in its
19 possession for sale at wholesale, as defined and enumerated in
20 this chapter and by general law, and to have alcoholic
21 beverages in its possession for retail sale at any time prior
22 to October 1, 2023.

23 "(2) To control the possession, sale,
24 transportation, and delivery of alcoholic beverages as
25 enumerated and defined in this chapter and by general law.

26 "(3) To determine the localities within which ~~any a~~
27 state operated liquor store ~~shall~~ may be ~~established and~~

1 operated and the location of ~~such~~ the state operated liquor
2 store at any time prior to October 1, 2023. No state operated
3 liquor store shall be established in and neither the board nor
4 any other person may legally buy, manufacture, or sell
5 alcoholic beverages in ~~any~~ a county which has voted in the
6 negative in ~~any~~ an election called as provided in Chapter 2 of
7 this title for determining the ~~said~~ issue unless and until
8 ~~said~~ the county has at a subsequent similar election voted in
9 the affirmative. The board shall have the power at any time
10 prior to October 1, 2023, to ~~establish and~~ maintain state
11 operated liquor stores for the sale of liquors as defined in
12 this chapter, ~~provided, that municipalities.~~ Municipalities
13 may by proper zoning ordinances establish zones or districts
14 within which ~~such~~ liquor stores may or may not be established,
15 ~~provided further, that the.~~ The number of state operated
16 liquor stores in ~~any~~ a municipality shall be limited to two
17 ~~such~~ stores for municipalities of 25,000 population or less
18 according to the last or any subsequent federal census and, in
19 municipalities having more than 25,000 population, such
20 additional stores as the board, in its discretion, may
21 determine.

22 "(4) To make provision for the maintenance of
23 warehouses for alcoholic beverages and to control the delivery
24 of alcoholic beverages to and from such warehouses and the
25 keeping of the same therein. The board may, by competitive bid
26 as provided in Chapter 16 of Title 41 of the Code of Alabama
27 1975, enter into contracts with private entities for the

1 receipt, storage, delivery, or distribution, or any
2 combination thereof, of alcoholic beverages held by the board.
3 The board shall supervise and maintain control over the
4 actions of a private contractor to ensure the laws of this
5 state are properly enforced.

6 "(5) To operate distilleries and to manufacture
7 alcoholic beverages if, in the opinion of the board, the
8 purposes of this chapter can be thereby promoted. The price of
9 all spiritous and vinous liquors dispensed by the board shall
10 be fixed by the board as required by general law, and the
11 location of state operated liquor stores shall not be adjacent
12 to schools or churches or in a neighborhood which is
13 exclusively residential. Neither the board nor ~~any~~ a state
14 store operated by it shall in any manner advertise its wares
15 for sale.

16 "(6) To appoint, subject to the provisions of the
17 Merit System and other laws, every officer, agent, inspector,
18 investigator, and employee, in accordance with the
19 qualifications specifically set out in this chapter, required
20 for the operation of the business of ~~said~~ the board, and
21 commission ~~such~~ the agents, inspectors, and or investigators as
22 necessary to make arrests and execute search warrants and have
23 the same authority as designated to peace officers ~~as now~~
24 ~~authorized~~ by law, and assign all employees their official
25 positions and titles, define their respective duties and
26 powers, require them ~~or any of them~~ to give bonds payable to
27 the state in such penalty as shall be fixed by the board, and

1 engage the services of experts and persons engaged in the
2 practice of a profession.

3 "(7) To control the manufacture, possession, sale,
4 consumption, importation, use, and delivery of liquor,
5 alcohol, and malt and brewed beverages in accordance with ~~the~~
6 ~~provisions of~~ this chapter and general law and to fix the
7 wholesale price of liquor as required by general law and the
8 retail prices at which liquor shall be sold at ~~Alabama~~ state
9 operated liquor stores. The board shall require each Alabama
10 manufacturer and each nonresident manufacturer of distilled
11 liquors selling distilled liquors to the board to make
12 application for and be granted a permit by the board before
13 distilled liquors shall be purchased from ~~such the~~
14 manufacturer. The board before issuing ~~such the~~ permit shall
15 collect from each applicant a permit fee of ~~\$15.00~~ fifteen
16 dollars (\$15), which sum shall be paid annually thereafter on
17 application. In the event that ~~any such a~~ manufacturer ~~shall,~~
18 in the opinion of the board, ~~sell~~ sells distilled liquors ~~to~~
19 ~~the board~~ through another person for the purpose of evading
20 this provision relating to permits, the board shall require
21 ~~such the~~ person before purchasing distilled liquors from him
22 or her or it to take out a permit and pay the same fee as
23 ~~hereinbefore~~ is required to be paid by ~~such the~~ manufacturer.
24 ~~All These~~ permit fees ~~so collected~~ shall be paid into the
25 State ~~Stores~~ General Fund.

1 "(8) To grant, issue and suspend, or revoke for
2 cause liquor licenses and alcohol permits as provided in this
3 chapter and by general law.

4 "(9) To grant, issue and suspend, or revoke for
5 cause malt or brewed and vinous beverages licenses as provided
6 in this chapter .

7 "(10) To lease, ~~and~~ furnish, and equip such
8 buildings, rooms, and other accommodations as shall be
9 required for the operation of this chapter. To determine the
10 nature, form, and capacity of all packages to be used for
11 containing liquor, alcohol, or malt or brewed beverages to be
12 kept or sold under this chapter and to prescribe the form and
13 contents of all labels and seals to be placed thereon.

14 "(11) To purchase from time to time the necessary
15 stamps, crowns, or lids, in a quantity sufficient for a period
16 not to exceed six months, for identifying each article sold or
17 distributed by or through the ~~said~~ state operated liquor
18 stores or a licensee of the board. All liquors, vinous
19 beverages, and alcohol sold or distributed by the board or ~~any~~
20 a licensee of ~~said~~ the board shall be stamped or endorsed in
21 such characteristic way or manner to be determined by the
22 board as shall clearly indicate that it has been dispensed or
23 regulated by the board, and all such liquors, vinous
24 beverages, or alcohol not containing such label shall be
25 contraband and subject to forfeiture as other contraband
26 liquors.

1 "(12) To require all wholesalers who make sales of
2 alcoholic beverages of any kind as defined in this chapter to
3 ~~any~~ a state operated liquor store or other authorized licensee
4 to forward, when the shipments of ~~such~~ the alcoholic beverages
5 are made, to the board an invoice setting out the quantities
6 of beverages purchased, and the price quotation showing at
7 what price such beverages were sold and such invoice and
8 quotation to be placed on record in the records of the
9 Alcoholic Beverage Control Board of the State of Alabama and
10 to be held for a period of not less than 18 months.

11 "(b) The Alcoholic Beverage Control Board shall be
12 subject to regular examinations by the Examiners of Public
13 Accounts the same as all other state agencies.

14 "§28-3-53.1.

15 "(a) There shall be no distribution of any taxes
16 collected on alcoholic beverages sold by the Alabama Alcoholic
17 Beverage Control Board or of any funds distributed as net
18 profits by said board for at least 25 days beginning October
19 1, 1983, for at least 55 days by September 30, 1984, for at
20 least 85 days by September 30, 1985, for at least 115 days by
21 September 30, 1986, for at least 120 days by September 30,
22 1987, and ~~thereafter~~ until October 1, 2023, from the close of
23 the month in which the ~~said~~ taxes or ~~said~~ funds are realized.
24 The moneys so realized are intended for use by ~~said~~ the board
25 for inventory purposes. This subsection shall be inoperative
26 after September 30, 2023.

1 ~~"(b) Any funds accumulated as working capital under~~
2 ~~Section 28-3-74(d) shall be distributed to the several~~
3 ~~beneficiaries on the same basis as withheld on the next~~
4 ~~distribution of profits to such beneficiaries by the Alabama~~
5 ~~Alcoholic Beverage Control Board after October 1, 1984.~~

6 "(b) Any additional taxes collected but not
7 distributed as of October 1, 2023, pursuant to subsection (a)
8 of this section shall first be distributed in the same manner
9 and in the amounts due for the month of October 2023, to all
10 current tax recipients and the remainder shall be transferred
11 to the State General Fund no later than January 31, 2024.

12 "§28-3-53.2.

13 "(a) The word board, wherever used in this section,
14 shall mean the Alabama Alcoholic Beverage Control Board
15 provided for in Chapter 3, Title 28. The term mark up,
16 wherever used in this section shall mean the percentage amount
17 added to cost plus freight on spirituous or vinous liquors
18 sold by the board, exclusive of taxes heretofore levied with
19 respect thereto.

20 "(b) Until September 30, 2023, the ~~The~~ total amount
21 of the additional mark up on cost of merchandise, levied by
22 the Alcoholic Beverage Control Board subsequent to June 30,
23 1983, shall be designated to the credit of the General Fund of
24 the state.

25 "(c) Until September 30, 2023, the ~~The~~ board shall
26 be prohibited from increasing the mark up on wholesale case

1 lot sales of liquor above 16.99 percent of the cost plus
2 freight subsequent to December 1, 2004.

3 "(d) Effective October 1, 2023, the markup on
4 wholesale case lot sales of liquor shall be 16.99 percent of
5 the cost plus freight of which 15.99 percent shall be
6 designated to the credit of the General Fund of the state, and
7 1.0 percent shall be paid into the Treasury of the State and
8 designated as follows:

9 (1) 30.5 percent to the credit of the State
10 Department of Human Resources;

11 (2) 13.8 percent to the credit of the wet counties
12 of the state to be divided equally among each of said counties
13 and paid into their respective general funds;

14 (3) 1.4 percent to the credit of the wet counties of
15 the state to be divided equally among said counties and used
16 exclusively for the purposes of public health;

17 (4) 29.1 percent to the incorporated municipalities
18 where an Alabama liquor store was located prior to October 1,
19 2023 with each municipality receiving as its percentage an
20 amount equal to the ratio of the profits earned by the
21 municipality's Alabama liquor store or stores to the total net
22 profits of all Alabama liquor stores;

23 (5) 20.9 percent to incorporated cities and towns in
24 the wet counties in the state on the basis of the ratio of the
25 population of each city or town to the total population of the
26 cities and towns; and

1 (6) 4.3 percent to the wet counties in the state for
2 general purposes on the basis of the ratio of the population
3 of each county of the population of all such counties.

4 "§28-3-202.

5 "(a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

6 "(b) Levy; collection; disposition of proceeds. In
7 addition to all other taxes of every kind now imposed by law
8 and in addition to any marked-up price authorized or required
9 by law, there is hereby levied and shall be collected a tax at
10 the rate of 10 percent upon the selling price of all
11 spirituous or vinous liquors sold by the board. Effective
12 October 1, 2023, this tax shall be 14 percent. The tax imposed
13 by this subsection shall be collected by the board from the
14 purchaser at the time the purchase price is paid. One half of
15 the proceeds derived from the tax shall be deposited in the
16 State Treasury to the credit of the Public Welfare Trust Fund
17 and shall be used for general welfare purposes and is hereby
18 appropriated therefor. The remainder of such proceeds from the
19 tax levied by this subsection shall be deposited in the State
20 Treasury to the credit of a special fund which shall be
21 designated the Alabama Special Mental Health Fund and shall be
22 used only for mental health purposes, including the prevention
23 of mental illness, the care and treatment of the mentally ill
24 and the mentally deficient and the acquisition, equipment,
25 operation and maintenance of facilities for mental health
26 purposes.

1 "The markup as currently established by the board on
2 spirituous or vinous liquors shall not be reduced by the board
3 for the purpose of absorbing the tax levied by this
4 subsection, it being the intention of this provision that the
5 said tax shall be passed on to the purchaser.

6 "§28-3-205.

7 "(a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

8 "(b) Levy and collection of tax. In addition to all
9 other taxes of every kind now imposed by law, and in addition
10 to any marked-up price authorized or required by law, there is
11 hereby levied and shall be collected a tax at the rate of 10
12 percent upon the selling price of all spirituous or vinous
13 liquors sold by the board. Effective October 1, 2023, this tax
14 shall be 6 percent. The tax hereby imposed shall be collected
15 by the board from the purchaser at the time the purchase price
16 is paid.

17 "(c) Tax to be passed on to purchaser. The mark-up
18 as currently established by the board on spirituous or vinous
19 liquors shall not be reduced by the board for the purpose of
20 absorbing the tax herein levied; it being the intention hereof
21 that the said tax shall be passed on to the purchaser.

22 "(d) Disposition of proceeds. All revenues collected
23 under the provisions of this section shall be paid into the
24 State Treasury to the credit of the General Fund.

25 "§28-3-207.

26 "~~There is hereby exempted from the provisions of~~
27 ~~this article and from~~ the computation of the amount of tax

1 levied, assessed, or payable under such this article or any
2 other tax levied on liquor by general law, the sale of all
3 spirituous or vinous liquors sold by the Alabama Alcoholic
4 Beverage Control Board to a certificated or licensed air
5 carrier with a hub operation within this state, for use in
6 conducting intrastate, interstate, or foreign commerce for
7 transporting people or property by air. For the purpose of
8 this section the words "hub operation within this state" shall
9 be construed to have all of the following criteria:

10 "(1) There originates from the location 15 or more
11 flight departures and five or more different first-stop
12 destinations five days per week for six or more months during
13 the calendar year, ~~and.~~

14 "(2) Passengers ~~and/or~~ or property, or both, are
15 regularly exchanged at the location between flights of the
16 same or a different certificated or licensed air carrier.

17 "§28-3-241.

18 "Any alcoholic beverages as enumerated and defined
19 in this chapter ~~to be sold or distributed by and through state~~
20 ~~liquor stores~~ found within this state in the possession of or
21 on the premises of ~~any~~ a person, firm, corporation, or
22 association of persons not having affixed thereto such mark of
23 identification showing that ~~said~~ the alcoholic beverages were
24 sold or distributed ~~by a state liquor store~~ as required by law
25 shall be subject to confiscation and sale in the same manner
26 as set forth in this chapter for malt or brewed beverages as
27 defined in this chapter and vinous beverages not exceeding 24

1 percent by volume which do not have affixed thereto the
2 required revenue stamps as provided for in this chapter.

3 "Persons who are found guilty of having in their
4 possession any ~~such~~ contraband liquors shall be subject to the
5 same fines and imprisonment as set forth in this chapter for
6 persons having in their possession any malt or vinous
7 beverages without the proper stamps affixed thereto as
8 required by this chapter.

9 "§28-3A-11.

10 "Upon applicant's compliance with ~~the provisions of~~
11 this chapter and the regulations made thereunder, the board
12 shall, where the application is accompanied by a certificate
13 from the clerk or proper officer setting out that the
14 applicant has presented his or her application to the
15 governing authority of the municipality, if the licensed
16 premises is to be located therein, and has obtained its
17 consent and approval, issue a retail liquor license ~~which~~. The
18 license will authorize the licensee to purchase liquor and
19 wine from the board or as authorized by the board and to
20 purchase table wine, and beer, including draft or keg beer in
21 ~~any~~ a county or municipality in which the sale thereof is
22 permitted, from ~~any~~ a wholesaler licensee of the board and to
23 sell at retail ~~liquor and~~ table wine, dispensed from
24 containers of any size, and beer, including draft or keg beer
25 in ~~any~~ a county or municipality in which the sale thereof is
26 permitted, to patrons. The license shall authorize the
27 licensee to sell, at retail, liquor for on-premises

1 consumption only. A lounge liquor licensee may permit dancing
2 or provide other lawful entertainment on the licensed
3 premises. No person under 19 years of age shall be admitted on
4 the premises of ~~any~~ a lounge liquor licensee as a patron or
5 employee, and it shall be unlawful for any ~~such~~ licensee to
6 admit ~~any~~ a minor to the premises as a patron or employee.

7 "§28-3A-12.

8 "Upon applicant's compliance with ~~the provisions of~~
9 this chapter and the regulations made thereunder, the board
10 may, where the application is accompanied by a certificate
11 from the clerk or proper officers setting out that the
12 applicant has presented his or her application to the
13 governing authority of the municipality, if the licensed
14 premises is to be located therein, and has obtained its
15 consent and approval, issue a club liquor license for a club
16 ~~which.~~ The license will authorize the licensee to purchase
17 liquor and wine from the board or as authorized by the board
18 and to purchase table wine and beer, including draft or keg
19 beer in ~~any~~ a county or municipality in which the sale thereof
20 is permitted, from ~~any~~ a wholesale licensee of the board and
21 to sell liquor and wine, dispensed from containers of any
22 size, and beer, including draft or keg beer, in ~~any~~ a county
23 or municipality in which the sale thereof is permitted, to the
24 members of the club or their guests for on-premises
25 consumption and to sell ~~all of the above~~ table wine and beer
26 for off-premises consumption except on Sunday.

27 "§28-3A-19.

1 "Upon applicant's compliance with ~~the provisions of~~
2 this chapter and the regulations made thereunder, the board
3 shall issue a special retail license in wet counties for a
4 state park, racing commission, fair authority, airport
5 authority, or civic center authority, or the franchises or
6 concessionaire of such park, commission or authority, and may~~7~~
7 ~~in its discretion,~~ issue a special retail license to any other
8 valid responsible organization of good reputation for such
9 period of time not to exceed one year and upon such terms and
10 conditions as the board shall prescribe, ~~which.~~ The license
11 will authorize the licensee to purchase, where the retail sale
12 thereof is authorized by the board, liquor and wine from the
13 board or as authorized by the board and table wine and beer
14 from ~~any~~ a wholesale licensee of the board and to sell at
15 retail ~~and dispense~~ for on-premises consumption such alcoholic
16 beverages as are authorized by the board at such locations
17 authorized by the board upon such terms and conditions as
18 prescribed by the board. ~~Provided, however, no~~ No sale of
19 alcoholic beverages shall be permitted on ~~any~~ a Sunday after
20 the hour of 2:00 A.M.

21 "§28-3A-21.

22 "(a) The following annual license fees are levied
23 and prescribed for licenses issued and renewed by the board
24 pursuant to the authority contained in this chapter:

25 "(1) Manufacturer license, license fee of five
26 hundred dollars (\$500).

1 "(2) Importer license, license fee of five hundred
2 dollars (\$500).

3 "(3) Liquor wholesale license, license fee of five
4 hundred dollars (\$500).

5 "(4) Wholesaler license, beer license fee of five
6 hundred fifty dollars (\$550) or wine license fee of five
7 hundred fifty dollars (\$550); license fee for beer and wine of
8 seven hundred fifty dollars (\$750); plus two hundred dollars
9 (\$200) for each warehouse in addition to the principal
10 warehouse.

11 "(5) Warehouse license, license fee of two hundred
12 dollars (\$200).

13 "(6) Retail license, license fee of seven hundred
14 fifty dollars (\$750) for each retail outlet operated under the
15 license.

16 "~~(6)~~(7) Lounge retail liquor license, license fee of
17 three hundred dollars (\$300).

18 "~~(7)~~(8) Restaurant retail liquor license, license
19 fee of three hundred dollars (\$300).

20 "~~(8)~~(9) Club liquor license, Class I license fee of
21 three hundred dollars (\$300), Class II license fee of seven
22 hundred fifty dollars (\$750).

23 "~~(9)~~(10) Retail table wine license for off-premises
24 consumption, license fee of one hundred fifty dollars (\$150).

25 "~~(10)~~(11) Retail table wine license for on-premises
26 and off-premises consumption, license fee of one hundred fifty
27 dollars (\$150).

1 "~~(11)~~(12) Retail beer license for on-premises and
2 off-premises consumption, license fee of one hundred fifty
3 dollars (\$150).

4 "~~(12)~~(13) Retail beer license for off-premises
5 consumption, license fee of one hundred fifty dollars (\$150).

6 "~~(13)~~(14) Retail common carrier liquor license,
7 license fee of one hundred fifty dollars (\$150) for each
8 railroad, airline, bus line, ship line, vessel or other common
9 carrier entity with a vehicle passenger capacity of at least
10 10 people.

11 "~~(14)~~(15) Special retail license, license fee of one
12 hundred dollars (\$100) for 30 days or less; license fee of two
13 hundred fifty dollars (\$250) for more than 30 days.

14 "~~(15)~~(16) Special events retail license, license fee
15 of one hundred fifty dollars (\$150).

16 "(b) The license fees levied and fixed by this
17 section shall be paid before the license is issued or renewed.

18 "(c) In addition to the foregoing filing fee and
19 license taxes or fees, any county or municipality in which the
20 sale of alcoholic beverages is permitted shall be authorized
21 to fix and levy privileges or license taxes on any of the
22 foregoing licenses located or operated therein, conditioned on
23 a permit or license being issued by the board.

24 "(d) No county or municipality shall have any
25 authority to levy a license or tax of any nature on ~~any~~ a
26 state operated liquor store.

1 "(e) The Alcoholic Beverage Control Board may
2 increase the license fees levied and fixed by this section
3 pursuant to Section 41-1-11.

4 "§28-3A-22.

5 "The revenue derived from filing fees, license fees
6 or taxes levied under Section 28-3A-4 and Section 28-3A-21
7 shall be deposited upon receipt by the board in the State
8 Treasury to the credit of the ~~Beer Tax and License Fund and~~
9 ~~each month's receipts shall be distributed to the State~~
10 General Fund no later than the end of the following month.

11 "County license fees authorized by and levied
12 pursuant to Section 28-3A-21 shall be collected by the board
13 and the proceeds of such collections shall be paid by the
14 board into the State Treasury to the credit of the county
15 levying ~~said~~ the license fee and paid semiannually to the
16 governing body of ~~said~~ the county."

17 "§28-7-16.

18 "(a) Levy. There is hereby levied in addition to the
19 license taxes provided for by this chapter and municipal and
20 county license taxes and in addition to any marked-up price
21 made by the board on wine sold by the board a privilege or
22 excise tax measured by and graduated in accordance with the
23 volume of sales of table wine containing not more than sixteen
24 and one-half percent alcohol by volume and shall be an amount
25 equal to forty-five cents (\$.45) per liter of table wine
26 containing not more than sixteen and one-half percent alcohol
27 by volume sold to the wholesale licensee or board, to be

1 collected from the purchaser by the board or by a licensed
2 retailer.

3 "(b) Collection, Monthly Return, Remittance, Right
4 to Examine Books and Records.

5 "(1) The tax levied by subsection (a) shall be added
6 to the sales price of all table wine containing not more than
7 sixteen and one-half percent alcohol by volume sold and shall
8 be collected from the purchasers. The tax shall be collected
9 in the first instance from the wholesaler where table wine
10 containing not more than sixteen and one-half percent alcohol
11 by volume is sold or handled by wholesale licensees, and by
12 the board from whomever makes sales when table wine containing
13 not more than sixteen and one-half percent alcohol by volume
14 is sold by the board. It shall be unlawful for any person who
15 is required to pay the tax in the first instance to fail or
16 refuse to add to the sales price and collect from the
17 purchaser the required amount of tax, it being the intent and
18 purpose of this provision that the tax levied is in fact a
19 levy on the consumer. The person who pays the tax in the first
20 instance is acting as an agent of the state for the collection
21 and payment of the tax and as such may not collect a tax on
22 table wine containing not more than sixteen and one-half
23 percent alcohol by volume for any other level of government.

24 "(2) The tax hereby levied shall be collected by a
25 monthly return, which shall be filed by the wholesale
26 licensees as follows: A monthly return filed with the board
27 not later than the 15th day of the second month following the

1 month of receipt of table wine containing not more than
2 sixteen and one-half percent alcohol by volume by the
3 wholesaler on a form prescribed by the board showing receipts
4 by the wholesalers from manufacturer, importer, or other
5 wholesaler licensees during the month of receipt and the taxes
6 due thereon at the rate of thirty-eight cents (\$.38) per liter
7 of table wine containing not more than sixteen and one-half
8 percent alcohol by volume sold to the wholesale licensee or
9 board; the taxes due at such rate shall be remitted to the
10 board along with the return; a monthly return filed with the
11 county or municipality within which the wine is sold at retail
12 filed not later than the 15th day of each month showing sales
13 by wholesalers during the preceding month and the county or
14 municipality in which sold and the taxes due thereon at the
15 rate of seven cents (\$.07) per liter of table wine containing
16 not more than sixteen and one-half percent alcohol by volume
17 sold; and the taxes due at such rate shall be remitted to the
18 county or municipality along with the return.

19 "(3) The tax hereby levied shall be collected by the
20 board on the table wine containing not more than sixteen and
21 one-half percent alcohol by volume sold by the board and shall
22 be paid as follows: Taxes at the rate of thirty-eight cents
23 (\$.38) per liter of table wine containing not more than
24 sixteen and one-half percent alcohol by volume sold shall be
25 remitted by the board to the State Treasurer and taxes at the
26 rate of seven cents (\$.07) per liter of table wine containing
27 not more than sixteen and one-half percent alcohol by volume

1 sold shall be remitted by the board to the county or
2 municipality within which the wine was sold at retail not
3 later than the last day of the month following the month of
4 sale, as set forth in subsection (c).

5 "(4) The board and the governing body of each county
6 and municipality served by the wholesaler shall have the
7 authority to examine the books and records of any person who
8 sells, stores, or receives for the purpose of distribution any
9 table wine, containing not more than sixteen and one-half
10 percent alcohol by volume to determine the accuracy of any
11 return required to be filed with it.

12 "(c) Disposition of proceeds. The proceeds of the
13 tax levied by subsection (a) shall be paid and distributed as
14 follows:

15 "(1) Thirty-eight cents (\$.38) per liter of table
16 wine containing not more than sixteen and one-half percent
17 alcohol by volume sold shall be collected by the board on its
18 sales or paid to the board by wholesale licensees on their
19 sales, and by the board paid to the State Treasurer to be
20 credited as net profits from operation of the board to be
21 distributed as provided by law until September 30, 2022.
22 Thereafter, these proceeds shall be credited to the State
23 General Fund.

24 "(2) Seven cents (\$.07) per liter of table wine
25 containing not more than sixteen and one-half percent alcohol
26 by volume sold shall be paid by the board on its sales or by
27 wholesale licensees on their sales, either into the treasury

1 of the municipality in which the table wine was sold at retail
2 within its corporate limits, or, where sold outside the
3 corporate limits of any municipality, into the treasury of the
4 county in which the table wine was sold at retail.

5 "(d) There is hereby levied in addition to the
6 license taxes provided for by this chapter and municipal and
7 county license taxes and in addition to any marked-up price
8 made by the board on wine sold by the board a privilege or
9 excise tax measured by and graduated in accordance with the
10 volume of sales of table wine containing more than sixteen and
11 one-half percent alcohol by volume. The tax shall be an amount
12 equal to two dollars and forty-two cents (\$2.42) per liter of
13 table wine containing more than sixteen and one-half percent
14 alcohol by volume sold to the wholesale licensee or board, to
15 be collected from the purchaser by the board or by a licensed
16 retailer.

17 "(e) Collection, Monthly Return, Remittance, Right
18 to Examine Books and Records.

19 "(1) The tax levied by subsection (d) shall be added
20 to the sales price of all table wine containing more than
21 sixteen and one-half percent alcohol by volume sold and shall
22 be collected from the purchasers. The tax shall be collected
23 in the first instance from the wholesaler where table wine
24 containing more than sixteen and one-half percent alcohol by
25 volume is sold or handled by wholesale licensees, and by the
26 board from whomever makes sales when table wine containing
27 more than sixteen and one-half percent alcohol by volume is

1 sold by the board. It shall be unlawful for any person who is
2 required to pay the tax in the first instance to fail or
3 refuse to add to the sales price and collect from the
4 purchaser the required amount of tax, it being the intent and
5 purpose of this provision that the tax levied is in fact a
6 levy on the consumer. The person who pays the tax in the first
7 instance is acting as an agent of the state for the collection
8 and payment of the tax and as such may not collect a tax on
9 table wine containing more than sixteen and one-half percent
10 alcohol by volume for any other level of government.

11 "(2) The tax levied in subsection (d) shall be
12 collected by a monthly return, which shall be filed by the
13 wholesale licensees with the board not later than the 15th day
14 of the second month following the month of receipt of table
15 wine containing more than sixteen and one-half percent alcohol
16 by volume by the wholesaler on a form prescribed by the board
17 showing receipts by the wholesalers from manufacturer,
18 importer, or other wholesaler licensees during the month of
19 receipt and the taxes due thereon at the rate of two dollars
20 and forty-two cents (\$2.42) per liter of table wine containing
21 more than sixteen and one-half percent alcohol by volume sold
22 to the wholesale licensee or board; the taxes due at such rate
23 shall be remitted to the board along with the return.

24 "(3) The tax levied in subsection (d) shall be
25 collected by the board on table wine containing more than
26 sixteen and one-half percent alcohol by volume sold by the
27 board and shall be paid as follows: Taxes at the rate of two

1 dollars and forty-two cents (\$2.42) per liter of table wine
2 containing more than sixteen and one-half percent alcohol by
3 volume sold shall be remitted by the board to the State
4 Treasurer.

5 "(4) The board shall have the authority to examine
6 the books and records of any person who sells, stores, or
7 receives for the purpose of distribution any table wine
8 containing more than sixteen and one-half percent alcohol by
9 volume, to determine the accuracy of any return required to be
10 filed with it.

11 "(f) Disposition of proceeds. The proceeds of the
12 tax levied by subsection (d) shall be paid and distributed as
13 follows:

14 "(1) Thirty-seven percent to the Alcoholic Beverage
15 Control Board.

16 "(2) Thirty-four percent to the State General Fund.

17 "(3) Twenty and eight-tenths percent to the
18 Department of Human Resources.

19 "(4) Eight and two-tenths percent to the Department
20 of Mental Health.

21 "(g) Taxes exclusive. The taxes herein levied are
22 exclusive and shall be in lieu of all other and additional
23 taxes and licenses of the state, county, or municipality,
24 imposed on or measured by the sale or volume of sale of table
25 wine; provided, that nothing herein contained shall be
26 construed to exempt the retail sale of table wine from the
27 levy of tax on general retail sales by the state, county, or

1 municipality in the nature of, or in lieu of, a general sales
2 tax.

3 "(h) Trade between wholesalers exempt. The taxes
4 levied by subsections (a) and (d) shall not be imposed upon
5 the sale, trade, or barter of table wine by one licensed
6 wholesaler to another wholesaler licensed to sell and handle
7 table wine in this state, which transaction is hereby made
8 exempt from the tax; provided, however, the board may require
9 written reporting of any such transaction in the form as the
10 board may prescribe."

11 Section 22. All laws or parts of laws which conflict
12 or are inconsistent with this act are repealed. Sections
13 28-3-74 and 28-3-280 through 28-3-286 of the Code of Alabama
14 1975 are specifically repealed on October 1, 2023.

15 Section 23. (a) All other laws shall be read in pari
16 materia with this act, including, but not limited to, laws
17 regulating the sale of liquor and laws regulating licensees of
18 the board, so as to effectuate the intent and purposes
19 prescribed by this act.

20 (b) This act shall not be construed as authorizing
21 the sale of liquor or any other type of alcoholic beverage in
22 any area of the state. Such sales shall be permitted only if
23 otherwise authorized by law.

24 Section 24. The provisions of this act are
25 severable. If any part of this act is declared invalid or
26 unconstitutional, that declaration shall not affect the part
27 which remains.

1 Section 25. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.