

1 SB3  
2 215098-1  
3 By Senator Smitherman  
4 RFD: Tourism  
5 First Read: 27-SEP-21

SYNOPSIS: Under existing law, a Class 1 municipality may establish up to five entertainment districts.

This bill would authorize the governing body of a Class 1 municipality to establish up to 15 entertainment districts.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to entertainment districts in Class 1 municipalities; to amend Section 28-3A-17.1, Code of Alabama 1975, as amended by Act 2021-350 of the 2021 Regular Session, to authorize the governing body of a Class 1 municipality to establish up to 15 entertainment districts within its corporate limits under certain conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The Legislature declares that this act regulates the liquor traffic within the meaning and intent of Section 104 of the Constitution of Alabama of 1901, now

1 appearing as Section 104 of the Official Recompilation of the  
2 Constitution of Alabama of 1901, as amended.

3 Section 2. Section 28-3A-17.1, Code of Alabama 1975,  
4 as amended by Act 2021-350 of the 2021 Regular Session, is  
5 amended to read as follows:

6 "§28-3A-17.1.

7 "(a) (1) Notwithstanding any rule adopted by the  
8 board, the board may issue an entertainment district  
9 designation to any retailer licensee that is licensed to sell  
10 alcoholic beverages for on-premises consumption and to any  
11 manufacturer licensee that conducts tastings or samplings on  
12 the licensed premises, provided the licensees are located in  
13 an entertainment district established pursuant to this  
14 section.

15 "(2) A licensee who receives an entertainment  
16 district designation under this subsection shall comply with  
17 all laws and rules governing its license type, except that the  
18 patrons, guests, or members of that licensee may exit that  
19 licensed premises with open containers of alcoholic beverages  
20 and consume alcoholic beverages anywhere within the confines  
21 of the entertainment district, which shall be permitted, but  
22 may not enter another licensed premises with open containers  
23 or closed containers of alcoholic beverages acquired  
24 elsewhere.

25 "(3) The permission granted by this subsection  
26 permitting the consumption of alcoholic beverages anywhere

1 within the confines of the entertainment district shall not  
2 extend the confines of the licensed premises.

3 "(b) The governing body of any Class 5 municipality  
4 covered by Act 2013-382, or a municipality with an  
5 incorporated arts council, main street program, or downtown  
6 development entity, may establish not more than two  
7 entertainment districts within its corporate limits, each of  
8 which must have not fewer than four licensees holding a retail  
9 liquor license in that area, and each district may not exceed  
10 one-half mile by one-half mile in area, but may be irregularly  
11 shaped.

12 "(c) The governing body of a ~~Class 1 municipality,~~  
13 Class 2 municipality, Class 3 municipality, Class 4  
14 municipality, or any municipality that is located 15 miles  
15 north of the Gulf of Mexico, may establish up to five  
16 entertainment districts within the corporate limits, each of  
17 which must have not fewer than four licensees holding a  
18 manufacturer's license that conducts tastings or samplings on  
19 the licensed premises, a restaurant retail liquor license, an  
20 on-premises alcoholic beverage license, or other retail liquor  
21 license in that area, and each district may not exceed  
22 one-half mile by one-half mile in area, but may be irregularly  
23 shaped.

24 "(d) The governing body of a Class 1 municipality  
25 may establish up to 15 entertainment districts within its  
26 corporate limits, each of which shall have not fewer than four  
27 licensees holding a manufacturer's license that conducts

1 tastings or samplings on the licensed premises, a restaurant  
2 retail liquor license, an on-premises alcoholic beverage  
3 license, or other retail liquor license in that area, and each  
4 district may not exceed one-half mile by one-half mile in  
5 area, but may be irregularly shaped.

6           "~~(d)~~(e) The governing body of a Class 8 municipality  
7 which is located in a county with a Class 3 municipality may  
8 establish two entertainment districts within its corporate  
9 limits that may not have fewer than four licensees holding a  
10 retail liquor license in that area, and each district may not  
11 exceed one-half mile by one-half mile in area, but may be  
12 irregularly shaped.

13           "~~(e)~~(f) For the purposes of ~~subsection~~ subsections  
14 (c) and (d), the term on-premises as applied to consumption  
15 within the entertainment district shall include anywhere  
16 within the district, regardless of the terms and conditions of  
17 licensure.

18           "~~(f)~~(g) In a Class 2 municipality, the licensed  
19 premises in an entertainment district of a holder of a retail  
20 liquor license shall include the area on a municipal sidewalk  
21 or deck immediately adjacent or connected to the premises and,  
22 during special events, directly outside the entrance to the  
23 premises.

24           "~~(g)~~(h) The governing body of a Class 8 municipality  
25 that is located in a county with a Class 2 municipality and is  
26 primarily located on an island may establish three  
27 entertainment districts within its corporate limits. One

1 district must have no fewer than two licensees holding a  
2 retail liquor license in a business or commercial area; one  
3 district may be established in a business or commercial area  
4 at times when special events are held as designated by the  
5 governing body; and one district may be established on  
6 property owned by the Dauphin Island Property Owners  
7 Association and known as the Isle Dauphine Complex. Each  
8 district may not exceed one-half mile by one-half mile in  
9 area, but may be irregularly shaped.

10 "(1) For purposes of this subsection, the term  
11 on-premises as applied to consumption within the entertainment  
12 district shall include anywhere within the district,  
13 regardless of the terms or conditions of licensure.

14 "(2) For purposes of this subsection, with the  
15 approval of the local governing body and the board, the  
16 licensed premises in an entertainment district of a holder of  
17 a retail liquor license shall include the area on a deck,  
18 boardwalk, or municipal sidewalk immediately adjacent or  
19 connected to the premises and, during special events, directly  
20 outside the entrance to the premises. The licensee must  
21 possess legal control over all property that is included in  
22 the premises licensed by the board.

23 "~~(h)~~ (i) (1) The governing body of a Class 8  
24 municipality that meets all of the following qualifications  
25 may establish three entertainment districts within its  
26 corporate limits, provided that each district has no fewer  
27 than four licensees holding a retail liquor license in that

1 area, and each district does not exceed one-half mile by  
2 one-half mile in area, but may be irregularly shaped:

3 "a. The municipality is not in a county with a Class  
4 2 municipality.

5 "b. The municipality abuts or spans the Intracoastal  
6 Waterway and abuts the Gulf of Mexico.

7 "c. The municipality has an incorporated arts  
8 council, main street program, or downtown development entity.

9 "(2) For purposes of this subsection, the term  
10 on-premises as applied to consumption within the entertainment  
11 district shall include anywhere within the district regardless  
12 of the terms or conditions of licensure.

13 "(3) For purposes of this subsection, with the  
14 approval of the local governing body and the board, the  
15 licensed premises in an entertainment district of a holder of  
16 a retail liquor license shall include the area on a deck,  
17 boardwalk, or municipal sidewalk immediately adjacent or  
18 connected to the premises and, during special events, directly  
19 adjacent to the entrance of the premises. The licensee must  
20 possess legal control over all property that is included in  
21 the premises licensed by the board.

22 ~~(h)~~(j) All laws or parts of laws which conflict with  
23 this section are repealed. All general, local, and special  
24 laws or parts of such laws insofar as they designate or  
25 restrict the boundaries, size, or area of such entertainment  
26 districts are hereby repealed."

1                   Section 3. This act shall become effective on the  
2 first day of the third month following its passage and  
3 approval by the Governor, or its otherwise becoming law.