



1
2
3

4 SYNOPSIS:

5 Existing law makes no specific provisions
6 regarding the retail sale, wholesale, or tax on the
7 sale of low-alcohol by volume content beverages made
8 from liquor. These beverages are regulated like liquor.
9 They are not available for distribution through beer
10 and table wine wholesalers and are only sold in ABC
11 stores.

12 This bill would define a new category of ready
13 to drink mixed liquor beverages containing no more than
14 seven percent alcohol by volume, called "mixed spirit
15 beverages."

16 This bill would institute a licensing structure
17 in Alabama for mixed spirit beverages, which would
18 require all mixed spirit beverages, other than those
19 sold in Alabama Alcoholic Beverage Control Board
20 stores, to be distributed through licensed wholesalers
21 to licensed retailers for on-premises and off-premises
22 consumption.

23 This bill would provide for the levy of a
24 privilege or excise tax on mixed spirit beverages.

25 This bill would require suppliers of mixed
26 spirit beverages to designate exclusive sales
27 territories for each brand and enter into a
28 distribution agreement with a licensed wholesaler for



29 each sales territory.

30 This bill would also set requirements for
31 distribution agreements between suppliers and wholesale
32 distributors of mixed spirit beverages for no-cause
33 termination or nonrenewal of a distribution agreement.

34

35

36

37

38 A BILL

39 TO BE ENTITLED

40 AN ACT

41

42 Relating to alcoholic beverages; to amend Sections
43 28-3-1, 28-3A-3, 28-3A-21, and 28-3A-23, Code of Alabama 1975;
44 to define a new category of low-alcohol content liquor
45 beverages called mixed spirit beverages; to add Section
46 28-3-208 to the Code of Alabama 1975, to levy an excise tax
47 upon the distribution of mixed spirit beverages; to add
48 Section 28-1-9 to the Code of Alabama 1975, to regulate the
49 display by retailers of mixed spirit and other alcoholic
50 beverages; to add Section 28-3A-9.1 to the Code of Alabama
51 1975, to provide a license for wholesalers of mixed spirit
52 beverages; to add Section 28-3A-17.3 to the Code of Alabama
53 1975, to provide licenses for retailers of mixed spirit
54 beverages; to set fees for the licenses; to amend Sections
55 28-3A-1.5, 28-3A-11, 28-3A-12, 28-3A-13, 28-3A-17.2, 28-3A-18,
56 28-3A-19, 28-3A-19.1, and 28-3A-20, Code of Alabama 1975, to



57 make conforming changes; and to add Chapter 8B to Title 28 of
58 the Code of Alabama 1975; to require licensed importers,
59 manufacturers, and suppliers of mixed spirit beverages to
60 enter into exclusive sales territory distribution agreements
61 with wholesalers.

62 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

63 Section 1. Section 28-1-9 is added to the Code of
64 Alabama 1975:

65 §28-1-9

66 (a) No alcoholic beverage products shall be sold or
67 distributed within the state without having first received
68 approval of the label thereon by the board.

69 (b) No alcoholic beverage shall be marketed, displayed,
70 labeled, or advertised in a way calculated to do either of the
71 following:

72 (1) Appeal to minors.

73 (2) Include statements, artwork, or designs that could
74 easily mislead an individual to believe that the product is
75 not an alcoholic beverage.

76 (c) No label shall be approved by the board which would
77 violate any rule of the board which governs general
78 advertising.

79 (d) Alcoholic beverages for retail sale shall be
80 displayed in such a way that they are separated from
81 nonalcoholic beverages, dual-branded beverages, or beverages
82 intended for children.

83 (e) Any licensed premises containing less than 500
84 square feet in capacity in which it is unfeasible to separate



85 the display of mixed spirit beverages from nonalcoholic
86 beverages shall prominently post signage that states: "The
87 products in this area contain alcohol and are not permitted
88 for sale to anyone under 21 years of age.

89 Section 2. Section 28-3-1, Code of Alabama 1975, is
90 amended to read as follows:

91 "§28-3-1

92 As used in this title, the following words ~~shall~~ have
93 the following meanings unless the context clearly indicates
94 otherwise:

95 (1) ALCOHOLIC BEVERAGES. Any alcoholic, spirituous,
96 vinous, fermented, or other alcoholic beverage, or combination
97 of liquors and mixed liquor, a part of which is spirituous,
98 vinous, fermented, or otherwise alcoholic, and all drinks or
99 drinkable liquids, preparations or mixtures intended for
100 beverage purposes, which contain one-half of one percent or
101 more of alcohol by volume, ~~and shall include. The term~~
102 includes liquor, beer, ~~and~~ wine, and mixed spirit beverages.

103 (2) ASSOCIATION. A partnership, limited partnership, or
104 any form of unincorporated enterprise owned by two or more
105 persons.

106 (3) BEER, or MALT OR BREWED BEVERAGES. Any beer, lager
107 beer, ale, porter, malt or brewed beverage, or similar
108 fermented beverage containing one-half of one percent or more
109 of alcohol by volume and not in excess of ~~thirteen and~~
110 ~~nine-tenths~~13.9 percent alcohol by volume, brewed or produced
111 from malt, wholly or in part, or from rice, grain of any kind,
112 bran, glucose, sugar, or molasses. A beer or malt or brewed



113 beverage may incorporate honey, fruit, fruit juice, fruit
114 concentrate, herbs, spices, or other flavorings during the
115 fermentation process. The term does not include any product
116 defined as liquor, table wine, ~~or~~ wine, or mixed spirit
117 beverages.

118 (4) BOARD. The Alcoholic Beverage Control Board.

119 (5) BRANDY. All beverages that are an alcoholic
120 distillate from the fermented juice, mash, or wine of fruit,
121 or from the residue thereof, produced in such manner that the
122 distillate possesses the taste, aroma, and characteristics
123 generally attributed to the beverage, as bottled at not less
124 than 80 degree proof.

125 (6) CARTON. The package or container or containers in
126 which alcoholic beverages are originally packaged for shipment
127 to market by the manufacturer or its designated
128 representatives or the importer.

129 (7) CIDER. A fermented alcoholic beverage made from
130 apple juice and containing not more than 8.5 percent alcohol
131 by volume.

132 (8) CLUB.

133 a. Class I. A corporation or association organized or
134 formed in good faith by authority of law and which must have
135 at least 150 paid-up members. It must be the owner, lessee, or
136 occupant of an establishment operated solely for the objects
137 of a national, social, patriotic, political, or athletic
138 nature or the like, but not for pecuniary gain, and the
139 property as well as the advantages of which, belong to all the
140 members and which maintains an establishment provided with



141 special space and accommodations where, in consideration of
142 payment, food with or without lodging is habitually served.
143 The club shall hold regular meetings, continue its business
144 through officers regularly elected, admit members by written
145 application, investigation, and ballot, and charge and collect
146 dues from elected members.

147 b. Class II. A corporation or association organized or
148 formed in good faith by authority of law and which must have
149 at least 100 paid-up members. It must be the owner, lessee, or
150 occupant of an establishment operated solely for the objects
151 of a national, social, patriotic, political, or athletic
152 nature or the like. The club shall hold regular meetings,
153 continue its business through officers regularly elected,
154 admit members by written application, investigation, and
155 ballot, and charge and collect dues from elected members.

156 (9) CONTAINER. The single bottle, can, keg, bag, or
157 other receptacle, but not a carton, in which alcoholic
158 beverages are originally packaged for the market by the
159 manufacturer or importer and from which the alcoholic beverage
160 is consumed by or dispensed to the public.

161 (10) CORPORATION. A corporation or joint stock
162 association organized under the laws of this state, the United
163 States, or any other state, territory, or foreign country, or
164 dependency.

165 (11) DELIVERY. The transportation of alcoholic
166 beverages directly from a retail licensee of the board to an
167 individual, pursuant to Section 28-1-4 and Section 28-3A-13.1.

168 (12) DELIVERY SERVICE LICENSE. A license issued by the



169 Alabama Alcoholic Beverage Control Board in accordance with
170 Section 28-3A-13.1 that authorizes the licensee, the
171 licensee's employees, or independent contractors under a
172 contractual or business arrangement with the licensee to
173 transport and deliver alcoholic beverages.

174 (13) DRY COUNTY. Any county which by a majority of
175 those voting voted in the negative in an election ~~heretofore~~
176 held under the applicable statutes at the time of the election
177 or may hereafter vote in the negative in an election or
178 special method referendum hereafter held in accordance with
179 Chapter 2, or held in accordance with the provisions of any
180 act hereafter enacted permitting such election.

181 (14) DRY MUNICIPALITY. Any municipality within a wet
182 county which has, by its governing body or by a majority of
183 those voting in a municipal election ~~heretofore~~ held in
184 accordance with the provisions of Section 28-2-22, or in a
185 municipal option election ~~heretofore or hereafter~~ held in
186 accordance with the provisions of ~~Act 84-408, Acts of Alabama~~
187 ~~1984, appearing as~~ Chapter 2A, or any act hereafter enacted
188 permitting municipal option election, voted to exclude the
189 sale of alcoholic beverages within the corporate limits of the
190 municipality.

191 (15) EMPLOYEE. An individual to whom an employer is
192 required to issue a W-2 tax form under federal law.

193 (16) GENERAL WELFARE PURPOSES. All of the following:

194 a. The administration of public assistance as set out
195 in Sections 38-2-5 and 38-4-1.

196 b. Services, including supplementation and



197 supplementary services under the federal Social Security Act,
198 to or on behalf of persons to whom public assistance may be
199 given under Sections 38-2-5 and 38-4-1.

200 c. Service to and on behalf of dependent, neglected, or
201 delinquent children.

202 d. Investigative and referral services to and on behalf
203 of needy persons.

204 (17) HEARING COMMISSION. A body appointed by the board
205 to hear and decide all contested license applications and all
206 disciplinary charges against any licensee for violation of
207 this title or the rules of the board.

208 (18) HOTEL. A building or buildings held out to the
209 public for housing accommodations of travelers or transients,
210 and shall include a motel, but shall not include a rooming
211 house or boarding house.

212 (19) IMPORTER. Any person, association, or corporation
213 engaged in importing alcoholic beverages, liquor, wine, ~~or~~
214 beer, or mixed spirit beverages manufactured outside of the
215 United States of America into this state or for sale or
216 distribution in this state, or to the board or to a licensee
217 of the board.

218 (20) INDEPENDENT CONTRACTOR. An individual to whom an
219 employer is required to issue a 1099 tax form under federal
220 law.

221 (21) KEG. A pressurized factory sealed container with a
222 capacity equal to or greater than five U.S. gallons, from
223 which beer is withdrawn by means of an external tap.

224 (22) LIQUOR. Any alcoholic, spirituous, vinous,



225 fermented, or other alcoholic beverage, or combination of
226 liquors and mixed liquor, a part of which is spirituous,
227 fermented, vinous, or otherwise alcoholic, and all drinks or
228 drinkable liquids, preparations, or mixtures intended for
229 beverage purposes, which contain one-half of one percent or
230 more of alcohol by volume, except beer, ~~and~~ table wine, and
231 mixed spirit beverages.

232 (23) LIQUOR STORE. A liquor store operated by the
233 board, where alcoholic beverages other than beer are
234 authorized to be sold in unopened containers.

235 (24) MANUFACTURER. Any person, association, or
236 corporation engaged in the producing, bottling, manufacturing,
237 distilling, fermenting, brewing, rectifying, or compounding of
238 alcoholic beverages, liquor, beer, ~~or~~ wine, or mixed spirit
239 beverages in this state or for sale or distribution in this
240 state or to the board or to a licensee of the board.

241 (25) MEAD. An alcoholic beverage produced by fermenting
242 a solution of honey and water with grain mash and containing
243 not more than 18 percent alcohol by volume.

244 (26) MEAL. A diversified selection of food some of
245 which is not susceptible of being consumed in the absence of
246 at least some articles of tableware and which cannot be
247 conveniently consumed while one is standing or walking about.

248 (27) MINOR. Any person under 21 years of age; provided,
249 however, in the event Section 28-1-5~~r~~ ~~shall be~~ is repealed or
250 otherwise ~~shall be~~ no longer in effect, ~~thereafter~~ the
251 provisions of Section 26-1-1~~r~~ shall govern.

252 (28) MIXED SPIRIT BEVERAGES. A single-serve beverage



253 containing liquor, packaged in a can or other container
254 approved by the board no larger than 16 ounces, and which
255 contains no more than seven percent alcohol by volume. The
256 term does not include any beverage containing liquor over 16
257 ounces in size or of more than seven percent alcohol by
258 volume.

259 (29) MUNICIPALITY. Any incorporated city or town of
260 this state to include its police jurisdiction.

261 ~~(29)~~ (30) PERSON. Every natural person, association, or
262 corporation. Whenever used in a clause prescribing or imposing
263 a fine or imprisonment, or both, ~~such~~ the term as applied to
264 an association shall mean the partners or members thereof and
265 as applied to a corporation shall mean the officers thereof,
266 except as to incorporated clubs the term ~~person shall mean~~
267 ~~such means an~~ individual or individuals who, under the bylaws
268 of such clubs, shall have jurisdiction over the possession and
269 sale of liquor therein.

270 ~~(30)~~ (31) POPULATION. The population according to the
271 last preceding or any subsequent decennial census of the
272 United States, except where a municipality is incorporated
273 subsequent to the last census, in which event, its population
274 until the next decennial census shall be the population of the
275 municipality as determined by the judge of probate of the
276 county as the official population on the date of its
277 incorporation.

278 ~~(31)~~ (32) RESTAURANT. A reputable place licensed as a
279 restaurant, operated by a responsible person of good
280 reputation, and habitually and principally used for the



281 purpose of preparing and serving meals for the public to
282 consume on the premises.

283 ~~(32)~~ (33) RETAILER. Any person licensed by the board to
284 engage in the retail sale of any alcoholic beverages to the
285 consumer.

286 ~~(33)~~ (34) SALE or SELL. Any transfer of liquor, wine, ~~or~~
287 beer, or mixed spirit beverages for a consideration, and any
288 gift in connection with, or as a part of, a transfer of
289 property other than liquor, wine, ~~or~~ beer, or mixed spirit
290 beverages for a consideration.

291 ~~(34)~~ (35) SELLING PRICE. The total marked-up price of
292 spirituous or vinous liquors sold by the board, exclusive of
293 taxes levied thereon.

294 ~~(35)~~ (36) TABLE WINE. Except as otherwise provided in
295 this subdivision, any wine containing not more than 24 percent
296 alcohol by volume. Table wine does not include any wine
297 containing more than ~~sixteen and one-half~~ 16.5 percent alcohol
298 by volume that is made with herbs or flavors, except vermouth,
299 or is an imitation or other than standard wine. Table wine is
300 not liquor, spirituous, or vinous.

301 ~~(36)~~ (37) UNOPENED CONTAINER. A container containing
302 alcoholic beverages, which has not been opened or unsealed
303 subsequent to filling and sealing by the manufacturer or
304 importer.

305 ~~(37)~~ (38) WET COUNTY. Any county which by a majority of
306 those voting voted in the affirmative in an election
307 ~~heretofore~~ held in accordance with the statutes applicable at
308 the time of the election or may hereafter vote in the



309 affirmative in an election or special method referendum held
310 in accordance with Chapter 2, or other statutes applicable at
311 the time of the election.

312 ~~(38)~~ (39) WET MUNICIPALITY. Any municipality in a dry
313 county which by a majority of those voting voted in the
314 affirmative in a municipal option election ~~heretofore or~~
315 ~~hereafter~~ held in accordance with ~~the provisions of Act~~
316 ~~84-408, Acts of Alabama 1984, appearing as~~ Chapter 2A of this
317 title, ~~as amended~~, or any act hereafter enacted permitting
318 municipal option election, or any municipality which became
319 wet by vote of the governing body or by the voters of the
320 municipality ~~heretofore or hereafter~~ held under the special
321 method referendum provisions of Section 28-2-22, or as
322 hereafter provided, where the county has become dry subsequent
323 to the elected wet status of the municipality.

324 ~~(39)~~ (40) WHOLESALER. Any person licensed by the board
325 to engage in the sale and distribution of table wine, and
326 beer, or mixed spirit beverages, or ~~either~~ any combination
327 thereof~~of them~~, within this state, at wholesale only, to be
328 sold by export or to retail licensees or other wholesale
329 licensees or others within this state lawfully authorized to
330 sell table wine, ~~and~~ beer, or mixed spirit beverages, or
331 ~~either~~ any combination thereof~~of them~~, for the purpose of
332 resale only.

333 ~~(40)~~ (41) WINE. All beverages made from the fermentation
334 of fruits, berries, or grapes, with or without added spirits,
335 and produced in accordance with the laws and regulations of
336 the United States, containing not more than 24 percent alcohol



337 by volume, and shall include all sparkling wines, carbonated
338 wines, special natural wines, rectified wines, vermouths,
339 vinous beverages, vinous liquors, and like products, including
340 restored or unrestored pure condensed juice."

341 Section 3. Section 28-3-208 is added to the Code of
342 Alabama 1975, to read as follows:

343 §28-3-208

344 (a) There is levied, in addition to the license taxes
345 provided for by this chapter and municipal and county license
346 taxes, a privilege or excise tax measured by and graduated in
347 accordance with the volume of sales of mixed spirit beverages,
348 which shall be an amount equal to two and nine-tenths cents
349 (\$.029) per ounce or fractional part thereof.

350 (b) (1) a. The tax levied by subsection (a) shall be
351 added to the sales price of all mixed spirit beverages and
352 collected from the purchaser. The tax shall be collected in
353 the first instance from the wholesaler where mixed spirit
354 beverages are sold or handled by wholesale licensees.

355 b. It shall be unlawful for any person who is required
356 to pay the tax in the first instance to fail or refuse to add
357 to the sales price and collect from the purchaser the required
358 amount of tax, it being the intent and purpose of this section
359 that the tax levied is in fact a levy on the consumer. The
360 person who pays the tax in the first instance is acting as an
361 agent of the state for the collection and payment of the tax
362 and as such may not collect a tax on mixed spirit beverages
363 for any other level of government.

364 (2) The tax levied by subsection (a) shall be collected



365 by a monthly return as follows:

366 a. The wholesaler shall file a monthly return with the
367 board no later than the 15th day of the second month following
368 the month of receipt of mixed spirit beverages by the
369 wholesaler on a form prescribed by the board showing receipts
370 by the wholesaler from manufacturers, importers, or other
371 wholesaler licensees during the month of receipt and the tax
372 due thereon at the rate of two and nine-tenths cents (\$.029)
373 per ounce of mixed spirit beverages sold to the wholesaler.
374 The tax due at this rate shall be remitted to the board along
375 with the return.

376 b. A wholesaler shall file a monthly return with the
377 county or municipality within which the mixed spirit beverage
378 is sold at retail not later than the 15th day of each month,
379 showing sales by wholesalers during the preceding month and
380 the tax due thereon at the rate of two-thousandths cents
381 (\$.002) per ounce sold. The tax due at this rate shall be
382 remitted to the county or municipality along with the return.

383 (3) The board and the governing body of each county and
384 municipality served by the wholesaler shall have the authority
385 to examine the books and records of the wholesaler who sells,
386 stores, or receives for the purpose of distribution any mixed
387 spirit beverages, to determine the accuracy of any return
388 required to be filed with it.

389 (c) The proceeds of the tax levied by subsection (a)
390 and remitted pursuant to subsection (b) shall be paid and
391 distributed as follows:

392 (1) One-half of the mixed spirit beverages tax shall be



393 deposited in the State General Fund.

394 (2) The remaining one-half of the mixed spirit
395 beverages tax shall be retained by the board for regulatory,
396 enforcement, and administrative purposes.

397 (3) The mixed spirit beverages tax remitted by the
398 wholesaler to either the county or municipality under
399 paragraph (b) (2)b. shall be distributed as provided in Section
400 28-3-190.

401 (d) The tax levied under this section is exclusive and
402 shall be in lieu of all other and additional taxes and
403 licenses of the state, county, or municipality, imposed on or
404 measured by the sale or volume of sale of mixed spirit
405 beverages; provided, that nothing contained in this section
406 shall be construed to exempt the retail sale of mixed spirit
407 beverages from the levy of tax on general retail sales by the
408 state, county, or municipality in the nature of, or in lieu
409 of, a general sales tax.

410 (e) The tax levied by subsection (a) shall not be
411 imposed upon the sale, trade, or barter of mixed spirit
412 beverages by one licensed wholesaler to another wholesaler
413 licensed to sell and handle mixed spirit beverages in this
414 state, which transaction is made exempt from the tax;
415 provided, however, the board may require written reporting of
416 any such transaction in the form as the board may prescribe
417 pursuant to paragraph (b) (2)a.

418 (f) Each county and municipality may fix a reasonable
419 privilege or license fee on retail, importer, and wholesale
420 licensees, for the purpose of covering the cost of



421 administration with respect to the sale of mixed spirit
422 beverages, but not to generate revenue; provided, however, a
423 county or municipality may not levy a license or privilege tax
424 or other charge for the privilege of doing business as a mixed
425 spirit beverages wholesaler, importer, or retailer which shall
426 exceed one-half the amount of the state license fee.

427 Section 4. Section 28-3A-3 Code of Alabama 1975, is
428 amended to read as follows:

429 "§28-3A-3

430 (a) (1) Subject to this chapter and rules adopted
431 thereunder, the board may issue and renew licenses to
432 reputable and responsible persons for the following purposes:

433 (1)a. To manufacture, brew, distill, ferment, rectify,
434 bottle, or compound ~~any or all~~ alcoholic beverages within or
435 for sale within this state.

436 (2)b. To import ~~any or all~~ alcoholic beverages
437 manufactured outside the United States into this state or for
438 sale or distribution within this state.

439 (3)c. To distribute, wholesale, or act as jobber for
440 the sale of liquor.

441 (4)d. To distribute, wholesale, or act as jobber for
442 the sale of table wine ~~and beer or either of them, beer, or~~
443 mixed spirit beverages alone or in any combination to licensed
444 retailers within the state and others within this state
445 lawfully authorized to sell table wine, ~~or~~ beer, or mixed
446 spirit beverages.

447 (5)e. To store or warehouse ~~any or all~~ alcoholic
448 beverages for transshipment inside and outside the state.



449 ~~(6)f.~~ To sell and dispense at retail, in a lounge,
450 ~~liquor and other~~ alcoholic beverages for on-premises
451 consumption.

452 ~~(7)g.~~ To sell and dispense at retail ~~in an~~
453 ~~establishment habitually and principally used for the purpose~~
454 ~~of providing meals for the public, liquor and other, in a~~
455 restaurant, alcoholic beverages for on-premises consumption.

456 ~~(8)h.~~ To sell liquor and wine at retail for
457 off-premises consumption.

458 ~~(9)i.~~ To sell and dispense at retail, in a club, liquor
459 and other alcoholic beverages for on-premises consumption.

460 ~~(10)j.~~ To sell table wine at retail for off-premises
461 consumption.

462 ~~(11)k.~~ To sell table wine at retail for on-premises and
463 off-premises consumption.

464 ~~(12)l.~~ To sell beer at retail for on-premises and
465 off-premises consumption.

466 ~~(13)m.~~ To sell beer at retail for off-premises
467 consumption.

468 n. To sell mixed spirit beverages at retail for
469 on-premises and off-premises consumption.

470 o. To sell mixed spirit beverages at retail for
471 off-premises consumption.

472 ~~(14)p.~~ To sell liquor and other alcoholic beverages at
473 retail by a retail common carrier with a passenger capacity of
474 at least 10 people.

475 ~~(15)q.~~ To sell ~~any or all~~ alcoholic beverages at retail
476 under a special license issued conditioned upon terms and



477 conditions and for the period of time prescribed by the board.

478 ~~(16)r.~~ To sell ~~any or all~~ alcoholic beverages at retail
479 under a special event retail license issued for three days
480 upon the terms and conditions prescribed by the board.

481 ~~(2) Provided, however, that the Notwithstanding~~
482 subdivision (1), licenses authorized under subdivision (1) may
483 not be issued in dry counties where traffic in alcoholic
484 beverages is not authorized by law, ~~therein~~ except a wine
485 manufacturer license may be issued in a dry county pursuant to
486 Section 28-7-10.1. ~~Provided the~~The restriction of this
487 ~~paragraph~~subdivision shall not apply to the ~~issuance of a~~
488 renewal of a license under ~~subdivisions (1), (2), (3), (4),~~
489 ~~and (5) paragraphs (1)a. through (1)e.~~ where the county or
490 municipality was wet when the initial license was issued and
491 the county or municipality subsequently votes dry; however, no
492 importer or wholesaler licensee may sell or distribute
493 alcoholic beverages within a dry county, except in a wet
494 municipality therein, or within a dry municipality.

495 (b) The board is granted discretionary powers in acting
496 upon license applications under the provisions of this
497 chapter.

498 (c) Licenses issued under this chapter, unless revoked
499 or suspended in the manner provided in this chapter, shall be
500 valid for the license year which shall begin on the first day
501 of October of each year, unless otherwise established by this
502 chapter or by the board. Licenses may be issued at any time
503 during the year."

504 Section 5. Sections 28-3A-9.1 and 28-3A-17.3 are added



505 to the Code of Alabama 1975, to read as follows:

506 "§28-3A-9.1

507 (a) Upon payment of the applicable fee for a mixed
508 spirit beverages wholesaler license as established in Section
509 28-3A-21, and the applicant's compliance with this chapter and
510 rules adopted pursuant to this chapter, the board shall issue
511 to a wholesaler a mixed spirit beverage wholesaler license.

512 (b) A mixed spirit beverage wholesaler license shall
513 authorize the licensee to do all of the following:

514 (1) Import and receive shipments of mixed spirit
515 beverages from outside the state from licensed manufacturers.

516 (2) Purchase mixed spirit beverages from licensed
517 manufacturers or other licensed wholesalers within the state.

518 (3) Sell at wholesale or distribute mixed spirit
519 beverages to all licensees or other persons within this state
520 lawfully authorized to sell mixed spirit beverages within the
521 state.

522 (4) Export mixed spirit beverages from the state.

523 (c) Sales to all authorized persons shall be in
524 original packages or containers as approved by the board and
525 prepared for the market by the manufacturer.

526 (d) (1) Except as provided in this section, no person
527 shall sell at wholesale or distribute mixed spirit beverages
528 within this state unless the person is issued by the board a
529 wholesaler license to distribute mixed spirit beverages.

530 (2) Notwithstanding this section, Section 28-3A-17.3,
531 or Chapter 8B, the board shall retain the authority to act as
532 a wholesaler of mixed spirit beverages, provided the board, as



533 a wholesaler, shall only distribute mixed spirit beverages to
534 state liquor stores.

535 §28-3A-17.3

536 (a) Upon payment of the limited mixed spirit beverage
537 expanded retail license fee as established in Section
538 28-3A-21, and the applicant's compliance with this chapter and
539 the rules adopted thereunder, the board shall issue a limited
540 mixed spirit beverage expanded retail license to any person
541 who holds and possesses any of the following:

542 (1) A valid retail table wine license for on-premises
543 and off-premises consumption as provided for in Section
544 28-3A-14.

545 (2) A valid retail table wine license for off-premises
546 consumption as provided for in Section 28-3A-15.

547 (3) A valid retail beer license for on-premises and
548 off-premises consumption as provided for in Section 28-3A-16.

549 (4) A valid retail beer license for off-premises
550 consumption as provided for in Section 28-3A-17.

551 (b) A license issued under this section shall authorize
552 the licensee to purchase mixed spirit beverages from a
553 licensed mixed spirit beverages wholesaler and sell the mixed
554 spirit beverages at retail commensurate with the privileges
555 granted to the licensee to sell beer and table wine.

556 (c) The board shall retain all limited mixed spirit
557 beverage expanded retail license fees collected. The board may
558 use collected fees for regulatory and administrative purposes
559 as determined by the board in its discretion, including for
560 the purposes of occasional purchases by the board of mixed



561 spirit beverages to ensure compliance with this chapter.

562 (d) Upon payment of a limited mixed spirit beverage
563 expanded retail license fee, there shall be no additional
564 licensing or administrative requirements, including no
565 requirement for additional background checks imposed by the
566 city, county, or state for licensees for the sale of mixed
567 spirit beverages.

568 Section 6. Sections 28-3A-21 and 28-3A-23, Code of
569 Alabama 1975, are amended to read as follows:

570 "§28-3A-21

571 (a) The following annual license fees are levied and
572 prescribed for licenses issued and renewed by the board
573 pursuant to the authority contained in this chapter:

574 (1) Manufacturer license, license fee of five hundred
575 dollars (\$500).

576 (2) Importer license, license fee of five hundred
577 dollars (\$500).

578 (3) Liquor ~~wholesale~~wholesaler license, license fee of
579 five hundred dollars (\$500).

580 (4) ~~Wholesaler~~Beer wholesaler license, ~~beer~~ license fee
581 of five hundred fifty dollars (\$550) ~~or wine license fee of~~
582 ~~five hundred fifty dollars (\$550); license fee for beer and~~
583 ~~wine of seven hundred fifty dollars (\$750); plus two hundred~~
584 dollars (\$200) for each warehouse in addition to the principal
585 warehouse.

586 (5) Wine wholesaler license, license fee of five
587 hundred fifty dollars (\$550) plus two hundred dollars (\$200)
588 for each warehouse in addition to the principal warehouse.



589 (6) Mixed spirit beverage wholesaler license, license
590 fee of five hundred fifty dollars (\$550) plus two hundred
591 dollars (\$200) for each warehouse in addition to the principal
592 warehouse.

593 (7) Beer, wine, and mixed spirit beverage wholesaler
594 license, license fee of one thousand dollars (\$1,000) plus two
595 hundred dollars (\$200) for each warehouse in addition to the
596 principal warehouse.

597 ~~(5)~~(8) Warehouse license, license fee of two hundred
598 dollars (\$200) .

599 ~~(6)~~(9) Lounge retail liquor license, license fee of
600 three hundred dollars (\$300) .

601 ~~(7)~~(10) Restaurant retail liquor license, license fee
602 of three hundred dollars (\$300) .

603 ~~(8)~~(11) Club liquor license, Class I license fee of
604 three hundred dollars (\$300), Class II license fee of seven
605 hundred fifty dollars (\$750) .

606 ~~(9)~~(12) Retail table wine license for off-premises
607 consumption, license fee of one hundred fifty dollars (\$150) .

608 ~~(10)~~(13) Retail table wine license for on-premises and
609 off-premises consumption, license fee of one hundred fifty
610 dollars (\$150) .

611 ~~(11)~~(14) Retail beer license for on-premises and
612 off-premises consumption, license fee of one hundred fifty
613 dollars (\$150) .

614 ~~(12)~~(15) Retail beer license for off-premises
615 consumption, license fee of one hundred fifty dollars (\$150) .

616 ~~(13)~~(16) Retail common carrier liquor license, license



617 fee of one hundred fifty dollars (\$150) for each railroad,
618 airline, bus line, ship line, vessel, or other common carrier
619 entity with a vehicle passenger capacity of at least 10
620 people.

621 ~~(14)~~ (17) Special retail license, license fee of one
622 hundred dollars (\$100) for 30 days or less; license fee of two
623 hundred fifty dollars (\$250) for more than 30 days.

624 ~~(15)~~ (18) Special events retail license, license fee of
625 one hundred fifty dollars (\$150).

626 (19) Mixed spirit beverage expanded retail license,
627 license fee of five hundred dollars (\$500).

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

630 (c) In addition to the foregoing filing fee and license
631 taxes or fees, any county or municipality in which the sale of
632 alcoholic beverages is permitted ~~shall be authorized to~~ may fix
633 and levy privileges or license taxes on any of the foregoing
634 licenses located or operated therein, conditioned on a permit
635 or license being issued by the board.

636 (d) No county or municipality shall have any authority
637 to levy a license or tax of any nature on any liquor store."

638 "§28-3A-23

639 (a) No license prescribed in this title shall be issued
640 or renewed until the provisions of this title have been
641 complied with and the filing and license fees other than those
642 levied by a municipality are paid to the board.

643 (b) Licenses shall be granted and issued by the board
644 only to reputable individuals, to associations whose members



645 are reputable individuals, or to reputable corporations
646 organized under the laws of this state or duly qualified
647 thereunder to do business in Alabama, or, in the case of
648 manufacturers, duly registered under the laws of Alabama, and
649 then only when it appears that all officers and directors of
650 the corporation are reputable individuals.

651 (c) (1) In addition to all other requirements, an
652 applicant for a license under this section shall submit to the
653 board a form, sworn to by the applicant, providing written
654 consent from the applicant for the release of criminal history
655 background information. The form shall also require the
656 applicant's name, date of birth, and Social Security number
657 for completion of a criminal history background check.

658 (2) An applicant shall provide the board with two
659 complete functional sets of fingerprints, either cards or
660 electronic, properly executed by a criminal justice agency or
661 an individual properly trained in fingerprinting techniques.
662 The fingerprints and form shall be submitted by the board to
663 the State Bureau of ~~Investigations~~Investigation of the Alabama
664 State Law Enforcement Agency for the purposes of furnishing
665 criminal background checks. The State Bureau of
666 ~~Investigations~~Investigation shall forward a copy of the
667 applicant's prints to the Federal Bureau of Investigation for
668 a national criminal background check. The applicant shall pay
669 all costs associated with the background checks required by
670 this section.

671 (3) For purposes of this section, the term "applicant"
672 ~~shall include~~includes every person who has any proprietary or



673 profit interest of 10 percent or more in the licensed
674 establishment, but shall not include any public corporation
675 whose shares are traded on a recognized stock exchange.

676 (4) The board shall keep information received pursuant
677 to this section confidential, except that information received
678 and relied upon in denying the issuance of a license in this
679 state may be disclosed as may be necessary to support the
680 denial or when subpoenaed from a court.

681 (d) Every license issued under this title shall be
682 constantly and conspicuously displayed on the licensed
683 premises.

684 (e) Each retail liquor license application must be
685 approved by the governing authority of the municipality if the
686 retailer is located in a municipality, or by the county
687 commission if the retailer is located in the county and
688 outside the limits of the municipality, before the board shall
689 have authority to grant the license.

690 (f) Any retailer may be granted licenses to maintain,
691 operate, or conduct any number of places for the sale of
692 alcoholic beverages, but a separate license must be secured
693 for each place where alcoholic beverages are sold. No retail
694 license issued under this title shall be used for more than
695 one premises, nor for separate types of operation on the same
696 premises. Provided, however, any such licensed retail
697 operation existing on May 14, 2009, and operating based on
698 dual licenses, both a club or lounge license and a restaurant
699 license, on the same premises shall be exempt from the
700 requirement of the preceding sentence and may continue to



701 operate under the dual licenses. Any rule adopted by the board
702 relating to the requirements concerning dual licenses, both a
703 club or lounge license and a restaurant license, shall not
704 apply to any retail operation existing on May 14, 2009. The
705 rules shall include, but not be limited to, the maintenance of
706 separate books, separate entrances, and separate inventories.
707 Each premises must have a separate retail license. Where more
708 than one retail operation is located within the same building,
709 each operation under a separate or different ownership is
710 required to obtain a separate retail license; and where more
711 than one type of retail operation located within the same
712 building is operated by the same licensee, the licensee must
713 have a license for each type of retail operation. Provided,
714 there shall be no licenses issued by the board for the sale of
715 liquor, beer, or wine by rolling stores.

716 (g) No retailer shall sell any alcoholic beverages for
717 consumption on the licensed premises except in a room or rooms
718 or place on the licensed premises at all times accessible to
719 the use and accommodation of the general public; but this
720 section shall not be interpreted to prevent a hotel or club
721 licensee from selling alcoholic beverages in any room of the
722 hotel or club house occupied by a bona fide registered guest
723 or member or private party entitled to purchase the same.

724 (h) All beer, except draft or keg beer, sold by
725 retailers must be sold or dispensed in bottles, cans, or other
726 containers not to exceed 25.4 ounces. All wine sold by
727 retailers for off-premises consumption must be sold or
728 dispensed in bottles or other containers in accordance with



729 the standards of fill specified in the then effective
730 standards of fill for wine prescribed by the U.S. Treasury
731 Department.

732 (i) Draft or keg beer may be sold or dispensed within
733 this state within those counties in which and in the manner in
734 which the sale of draft or keg beer was authorized by law on
735 September 30, 1980, or in which the sale of draft or keg beer
736 is hereafter authorized by law. ~~In rural communities with a
737 predominantly foreign population, after the payment of the tax
738 imposed by this title, draft or keg beer may be sold or
739 dispensed by special permit from the board, when, in the
740 judgment of the board, the use and consumption of draft or keg
741 beer is in accordance with the habit and customs of the people
742 of any such rural community. The board may grant to any civic
743 center authority or its franchisee or concessionaire, to which
744 the board may have issued or may simultaneously issue a retail
745 license under the provisions of this title, a revocable
746 temporary permit to sell or dispense in any part of its civic
747 center, for consumption therein, draft or keg beer. Either
748 permit shall be promptly revoked by the board if, in its
749 judgment, the same tends to create intemperance or is
750 prejudicial to the welfare, health, peace, temperance, and
751 safety of the people of the community or of the state.~~

752 (j) No importer shall sell alcoholic beverages to any
753 person other than a wholesaler licensee, or sell to a
754 wholesaler licensee any brand or brands of alcoholic beverages
755 for sale or distribution in this state, except where the
756 importer has been granted written authorization from the



757 manufacturer thereof to import and sell the brand or brands to
758 be sold in this state, which authorization is on file with the
759 board.

760 (k) No wholesaler shall maintain or operate any place
761 where sales are made other than that for which the wholesale
762 license is granted; provided, however, a wholesaler may be
763 licensed to sell and distribute liquor, wine, ~~and beer, and~~
764 mixed spirit beverages. No wholesaler shall maintain any place
765 for the storage of liquor, wine, ~~or beer, or mixed spirit~~
766 beverages unless the same has been approved by the board. No
767 wholesaler license shall be issued for any premises in any
768 part of which there is operated any retail license for the
769 sale of alcoholic beverages.

770 (l) Licenses issued under this title may not be
771 assigned. The board may transfer any license from one person
772 to another, or from one place to another within the same
773 governing jurisdiction, or both, as the board may determine;
774 but no transfers shall be made to a person who would not have
775 been eligible to receive the license originally, nor for the
776 transaction of business at a place for which the license could
777 not originally have been issued lawfully.

778 (m) Every applicant for a transfer of a license shall
779 file a written application with the board within such time as
780 the board shall fix in its rules. Whenever any license is
781 transferred, there shall be collected a filing fee of fifty
782 dollars (\$50), to be paid to the board, and the board shall
783 pay the fee into the State Treasury to the credit of the Beer
784 Tax and License Fund of the board.



785 (n) In the event that any person to whom a license has
786 been issued under the terms of this title becomes insolvent,
787 makes an assignment for the benefit of creditors, or is
788 adjudicated as bankrupt by either voluntary or involuntary
789 action, the license of the person shall immediately terminate
790 and be ~~cancelled~~canceled without any action on the part of the
791 board, and there shall be no refund made, or credit given, for
792 the unused portion of the license fee for the remainder of the
793 license year for which the license was granted. Thereafter, no
794 license shall be issued by the board for the premises, wherein
795 the license was conducted, to any assignee, committee,
796 trustee, receiver, or successor of the licensee until a
797 hearing has been held by the board as in the case of a new
798 application for license. In all such cases, the board shall
799 have the sole and final discretion as to the propriety of the
800 issuance of a license for the premises, the time it shall
801 issue, and the period for which it shall be issued, and shall
802 have the further power to impose conditions under which the
803 licensed premises shall be conducted."

804 Section 7. Sections 28-3A-1.5, 28-3A-11, 28-3A-12,
805 28-3A-13, 28-3A-17.2, 28-3A-18, 28-3A-19, 28-3A-19.1, and
806 28-3A-20, Code of Alabama 1975, are amended to read as
807 follows:

808 "§28-3A-1.5

809 (a) Definitions.

810 As used in this section and Section 28-3A-6, the
811 following words shall have the following meanings:

(1) NONPROFIT SPECIAL EVENTS RETAIL LICENSE. A license



813 issued pursuant to subsection (b) for the sale of beer, wine,
814 mixed spirit beverages, or liquor.

815 (2) QUALIFYING ORGANIZATION. A bona fide nonprofit
816 organization operating in the state that satisfies all of the
817 following requirements:

818 a. Operates without profit to the organization's
819 members.

820 b. Is exempt from taxation under ~~Section 501 of the~~
821 ~~Internal Revenue Code~~ 26 U.S.C. § 501.

822 c. Satisfies at least one of the following
823 requirements:

824 1. Has been continuously in existence in the state for
825 a minimum of three years.

826 2. Is affiliated with a parent organization that has
827 been in existence in the state for a minimum of three years.

828 3. Has reorganized and is continuing its mission under
829 a new name on file with the Secretary of State and with a new
830 tax identification number after having satisfied the
831 requirements set forth in either subparagraph 1. or 2.

832 (b) Licensed authorized.

833 The board may issue a ~~Nonprofit Special Events Retail~~
834 ~~License~~ nonprofit special events retail license for the sale
835 of beer, wine, mixed spirit beverages, and liquor to a
836 qualifying organization.

837 (c) Applications for nonprofit special events retail
838 license.

839 (1) Applications for a nonprofit special events retail
840 license shall be made with the board at least 25 calendar days



841 prior to the event on forms provided by the board and shall be
842 verified by oath or affirmation of an officer or director of
843 the qualifying organization who is authorized to do so.

844 (2) The applicant shall provide the board all of the
845 following:

846 a. Documentation to show that the nonprofit is a
847 qualifying organization.

848 b. A notarized, signed statement of proper authority
849 from the person signing the application.

850 c. Date, time, and address of the event location. The
851 applicant may also include an alternate event date or
852 location.

853 d. Documentation of authority for use of property for
854 the requested event.

855 e. A copy of the letter notifying the local governing
856 officials of the event.

857 (3) A qualifying organization that applies for a
858 nonprofit special events retail license shall not be required
859 to provide evidence of liquor liability insurance.

860 (4) The board may request additional documentation at
861 its discretion.

862 (5) Nonprofit special event retail licenses are not
863 renewable and are valid for a period not to exceed seven days,
864 and are issued upon terms and conditions as the board may
865 prescribe.

866 (d) Donated alcohol.

867 Beer, wine, mixed spirit beverages, and liquor may be
868 donated by a nonlicensed person.



869 (e) Rulemaking authority.

870 The board may adopt rules necessary for the
871 implementation and administration of this section and Section
872 28-3A-6."

873 "§28-3A-11

874 Upon applicant's compliance with the provisions of this
875 chapter and the regulations made thereunder, the board ~~shall~~,
876 where the application is accompanied by a certificate from the
877 clerk or proper officer setting out that the applicant has
878 presented his or her application to the governing authority of
879 the municipality, if the licensed premises is to be located
880 therein, and has obtained its consent and approval, shall
881 issue a retail liquor license which will authorize the
882 licensee to purchase liquor and wine from the board or as
883 authorized by the board and to purchase table wine, mixed
884 spirit beverages, and beer, including draft or keg beer in any
885 county or municipality in which the sale thereof is permitted,
886 from any wholesaler licensee of the board and to sell at
887 retail liquor and wine, dispensed from containers of any size,
888 mixed spirit beverages in containers not to exceed 16 ounces,
889 and beer, including draft or keg beer in any county or
890 municipality in which the sale thereof is permitted, to
891 patrons. A lounge liquor licensee may permit dancing or
892 provide other lawful entertainment on the licensed premises.
893 No person under 19 years of age shall be admitted on the
894 premises of any lounge liquor licensee as a patron or
895 employee, and it shall be unlawful for any such licensee to
896 admit any minor to the premises as a patron or employee."



897 "§28-3A-12

898 Upon applicant's compliance with the provisions of this
899 chapter and the regulations made thereunder, the board ~~may~~,
900 where the application is accompanied by a certificate from the
901 clerk or proper officers setting out that the applicant has
902 presented his or her application to the governing authority of
903 the municipality, if the licensed premises is to be located
904 therein, and has obtained its consent and approval, may issue
905 a club liquor license for a club which will authorize the
906 licensee to purchase liquor and wine from the board or as
907 authorized by the board and to purchase table wine, mixed
908 spirit beverages, and beer, including draft or keg beer in any
909 county or municipality in which the sale thereof is permitted,
910 from any wholesale licensee of the board and to sell liquor
911 and wine, dispensed from containers of any size, mixed spirit
912 beverages in containers not to exceed 16 ounces, and beer,
913 including draft or keg beer, in any county or municipality in
914 which the sale thereof is permitted, to the members of the
915 club or their guests for on-premises consumption and to sell
916 all of the above for off-premises consumption except on
917 Sunday."

918 "§28-3A-13

919 (a) Upon applicant's compliance with this chapter and
920 the rules adopted thereunder, the board shall, where the
921 application is accompanied by a certificate from the clerk or
922 proper officer setting out that the applicant has presented
923 his or her application to the governing authority of the
924 municipality, if the licensed premises is to be located



925 therein, and has obtained its consent and approval issue a
926 restaurant liquor license for a hotel, restaurant, civic
927 center authority, or dinner theater which will authorize the
928 licensee to purchase liquor and wine from the board or as
929 authorized by the board and to purchase table wine, mixed
930 spirit beverages, and beer, including draft or keg beer, in
931 any county or municipality in which the sale thereof is
932 permitted, from any wholesale licensee of the board and, in
933 that part of the hotel, restaurant, club, or dinner theater
934 set out in the license, to sell liquor and wine, dispensed
935 from containers of any size, mixed spirit beverages in
936 containers not to exceed 16 ounces, and beer, including draft
937 or keg beer, in any county or municipality in which the sale
938 thereof is permitted, to the patrons, guests, or members for
939 on-premises consumption in any part of the civic center or in
940 that part of the hotel, restaurant, or dinner theater
941 habitually used for serving meals to patrons, guests, or
942 members, or other public or private rooms of the building in
943 accordance with this chapter and the rules adopted thereunder,
944 and where a restaurant located in a hotel, but not operated by
945 the owner of the hotel, is licensed to sell alcoholic
946 beverages in the restaurant, it may also sell alcoholic
947 beverages to guests in private rooms in the hotel.

948 (b) In accordance with Section 28-3A-13.1, a restaurant
949 retail liquor licensee licensed to sell beer, wine, mixed
950 spirit beverages, or spirits for on-premises consumption may
951 apply for and be issued a delivery service license that
952 authorizes the licensee to deliver, along with the purchase of



953 a meal, beer, wine, mixed spirit beverages, or spirits from
954 the retailer's premises."

955 "§28-3A-17.2

956 (a) As used in this section, "food or beverage truck"
957 means a fully encased food or beverage service establishment
958 approved by the Department of Public Health, which is housed
959 on a motor vehicle or on a trailer that a motor vehicle pulls
960 to transport, and from which a vendor, standing within the
961 frame of the vehicle, prepares, cooks, sells, or serves food
962 or beverages, or both, for immediate human consumption. The
963 term does not include a food or beverage cart that is not
964 motorized.

965 (b) (1) Upon a food or beverage truck applicant's
966 compliance with this chapter and any rules adopted thereunder,
967 and upon presentation of the certificate described in
968 subdivision (2), the board shall issue to the applicant a food
969 or beverage truck license that will authorize the licensee to
970 purchase liquor and wine from the board or, as authorized by
971 the board, table wine, mixed spirit beverages, and beer,
972 including draft or keg beer, from any wholesale licensee of
973 the board and to sell alcoholic beverages for on-premises
974 consumption to guests who may consume the beverages in open
975 containers anywhere within an area designated by the municipal
976 governing body within an established entertainment district,
977 provided the license is not prohibited by a valid ordinance or
978 other ordinance in the valid exercise of police power by the
979 governing body of the municipality in which the food or
980 beverage truck is located.



987 (c) The food or beverage truck license fee shall be
988 three hundred dollars (\$300).

989 (d) A food or beverage truck operating outside the
990 designated entertainment district may not sell alcoholic
991 beverages.

992 (e) A food or beverage truck licensee shall consent, in
993 writing, to warrantless inspections by city, county, and state
994 inspectors and law enforcement.

995 (f) A food or beverage truck licensee must comply with
996 all on-premises rules, other than the requirement for seating
997 and restrooms.

998 (g) Each food or beverage truck licensee shall collect
999 and remit all state and local sales and use taxes and all
1000 excise and privilege taxes due on the sale of alcoholic
1001 beverages.

1002 (h) A food or beverage truck licensee may not serve or
1003 be authorized to serve any food or beverage within 150 feet of
1004 any entrance to any permanent restaurant or to any Alcoholic
1005 Beverage Control Board licensee.



1009 beverage truck or group of food or beverage trucks within
1010 which consumption of alcoholic beverages is permitted. The
1011 board shall adopt additional reasonable rules to protect
1012 public health and safety."

1013 "§28-3A-18

1014 Upon applicant's compliance with the provisions of this
1015 chapter and the regulations made thereunder, the board shall
1016 issue a retail common carrier liquor license for a railroad,
1017 airline, bus line, ship line, vessel, or other common carrier
1018 entity operating passenger vehicles with a passenger seating
1019 capacity of at least 10 people, which will authorize the
1020 licensee to sell, whenever operated in Alabama, alcoholic
1021 beverages, liquor, mixed spirit beverages, wine, and beer,
1022 including draft beer, to passengers for consumption while
1023 aboard such licensee. No railroad, airline, bus line, ship
1024 line, vessel, or common carrier entity shall sell alcoholic
1025 beverages to passengers for consumption within this state
1026 without first obtaining a retail common carrier liquor license
1027 from the board.

1028 Sales within Alabama of alcoholic beverages by retail
1029 common carrier liquor licensees shall be made in accordance
1030 with and shall be subject to the provisions of this chapter
1031 and regulations ~~promulgated~~ adopted thereunder."

1032 "§28-3A-19

1033 Upon applicant's compliance with the provisions of this
1034 chapter and the regulations made thereunder, the board shall
1035 issue a special retail license in wet counties for a state
1036 park, racing commission, fair authority, airport authority, or



1037 civic center authority, or the franchises or concessionaire of
1038 such park, commission, or authority, and may, in its
1039 discretion, issue a special retail license to any other valid,
1040 responsible organization of good reputation for such period of
1041 time not to exceed one year and upon such terms and conditions
1042 as the board shall prescribe, which will authorize the
1043 licensee to purchase, where the retail sale thereof is
1044 authorized by the board, liquor and wine from the board or as
1045 authorized by the board and table wine, mixed spirit
1046 beverages, and beer from any wholesale licensee of the board
1047 and to sell at retail and dispense such alcoholic beverages as
1048 are authorized by the board at such locations authorized by
1049 the board upon such terms and conditions as prescribed by the
1050 board. Provided, however, no sale of alcoholic beverages shall
1051 be permitted on any Sunday after the hour of 2:00 A.M."

1052 "§28-3A-19.1

1053 (a) Upon compliance by an applicant with the provisions
1054 of this chapter, and the regulations made thereunder, the
1055 Alcoholic Beverage Control Board may, where the application is
1056 accompanied by a certificate from the clerk or proper officers
1057 setting out that the applicant has presented his or her
1058 application to the governing authority of the municipality if
1059 the licensed premises is to be located therein, or by a
1060 certificate from the clerk or proper officers of the county if
1061 the licensed premises is to be located within the county but
1062 outside the jurisdiction of a municipality, and that the
1063 applicant has obtained the consent and approval of the proper
1064 governing authority, issue an international motor speedway



1065 license for any international motor speedway in the state
1066 which marketed at least 60,000 tickets to at least two motor
1067 sport racing events at the speedway in 1994, 1995, and 1996.
1068 Notwithstanding the provisions of ~~subdivisions (20) and (21)~~
1069 ~~of subsection (a) of Section 28-3A-25~~ Section 28-3A-25(a) (20)
1070 and (21), the international motor speedway license shall
1071 authorize the licensee to purchase liquor and wine from the
1072 board, or as authorized by the board, and to purchase table
1073 wine, mixed spirit beverages, and beer, in any county or
1074 municipality in which the sale thereof is permitted, from any
1075 wholesale licensee of the board and to sell liquor and wine,
1076 dispensed from containers of any size, mixed spirit beverages
1077 in containers not to exceed 16 ounces, and beer in any county
1078 or municipality in which the sale thereof is permitted, for
1079 on-premises consumption each day of the week, including
1080 Sundays, and to sell all of the aforementioned for
1081 off-premises consumption except on Sunday. Such sales shall be
1082 incidental to the primary purpose of recreation and athletics,
1083 and shall be confined to those buildings, facilities, and
1084 grounds which comprise the speedway.

1085 (b) An annual license fee of three hundred dollars
1086 (\$300) is levied and prescribed for an international motor
1087 speedway license issued and renewed by the board pursuant to
1088 the authority contained in this section and this chapter."

1089 "§28-3A-20

1090 Upon applicant's compliance with this chapter and the
1091 regulations made thereunder, and upon application made on a
1092 form provided by the board at least 25 days in advance of the



1093 event for which a license is granted, the board shall issue a
1094 special events license for a valid, responsible organization
1095 of good reputation, for a period not to exceed seven days, and
1096 upon such terms and conditions as the board may prescribe. The
1097 license shall authorize the licensee to purchase, where the
1098 retail sale thereof is authorized by the board, liquor and
1099 wine from the board or as authorized by the board and table
1100 wine, mixed spirit beverages, and beer from any wholesale
1101 licensee of the board and to sell at retail and dispense such
1102 alcoholic beverages as are authorized by the board to the
1103 patrons, guests, or members of the organization at such
1104 locations or areas as shall be authorized by the board upon
1105 such terms and conditions as prescribed by the board. No sale
1106 of alcoholic beverages shall be permitted on any Sunday after
1107 the hour of 2:00~~A.M~~ a.m."

1108 Section 8. Chapter 8B, commencing with Section 28-8B-1,
1109 is added to Title 28 of the Code of Alabama 1975, to read as
1110 follows:

1111 \$28-8B-1
1112 (a) The Legislature hereby finds and declares that this
1113 chapter is enacted pursuant to the authority granted to the
1114 state under the Twenty-First Amendment to the United States
1115 Constitution, the powers reserved to the state under the Tenth
1116 Amendment to the United States Constitution, and the inherent
1117 powers of the state under the Constitution of Alabama of 2022,
1118 in order to regulate the traffic of alcoholic beverages and to
1119 substitute the regulations and oversight established in this
1120 act for the application of federal and state antitrust laws



1121 that otherwise would apply to any potential anti-competitive
1122 effects of this title. For the avoidance of doubt, the intent
1123 of the Legislature is to maintain the uniform three-tier
1124 system of control over the sale, purchase, taxation,
1125 transportation, manufacture, consumption, and possession of
1126 alcoholic beverages in the state to promote the health,
1127 safety, and welfare of residents of this state by, among other
1128 purposes, ensuring the state shall be able to register, audit,
1129 inspect, seize, recall, and test alcoholic beverages shipped
1130 into, distributed, and sold throughout this state; and this
1131 expression of the policy and intent of the Legislature is
1132 intended to satisfy the clear articulation test for state
1133 action immunity as has been established by the United States
1134 Supreme Court in California Retail Liquor Dealers Assn. v.
1135 Midcal Aluminum, Inc., et al.

1136 (b) If any provision of this chapter, or its
1137 application to any person or circumstance, is determined by a
1138 court to be invalid or unconstitutional, that provision shall
1139 be stricken and the remaining provisions shall be construed in
1140 accordance with the intent of the Legislature to further limit
1141 rather than expand commerce in alcoholic beverages, including
1142 by prohibiting any commerce in alcoholic beverages not
1143 expressly authorized, and to enhance strict regulatory control
1144 over taxation, distribution, and sale of alcoholic beverages
1145 through the existing uniform system of regulation of alcoholic
1146 beverages.

1147 §28-8B-2

1148 (a) This chapter applies only to mixed spirit beverages



1149 and does not apply to regulation of beer or wine franchises.

1150 (b) Nothing in this chapter shall be deemed to repeal
1151 or amend any existing beer or wine franchise laws. This
1152 chapter is intended to address mixed spirit beverages, and to
1153 leave in effect and unchanged any local or state franchise
1154 laws existing on the effective date of this act.

1155 §28-8B-3

1156 (a) Each supplier of mixed spirit beverages licensed by
1157 the board to sell its mixed spirit beverages within the State
1158 of Alabama shall sell its mixed spirit beverages only through
1159 wholesaler licensees of the board and shall grant in writing
1160 to each of its wholesalers a distribution agreement which
1161 contains the wholesaler's exclusive sales territory for the
1162 distribution of the supplier's designated brand in accordance
1163 with Chapter 8.

1164 (b) A licensed retailer may not purchase mixed spirit
1165 beverages from any entity other than the licensed wholesaler
1166 designated by the manufacturer of the mixed spirit beverages.

1167 §28-8B-4

1168 (a) For the purposes of this chapter, the following
1169 terms have the following meanings:

1170 (1) DISTRIBUTION AGREEMENT. Any written and signed
1171 agreement between a wholesaler and a supplier, whereby a
1172 wholesaler is granted the right to purchase and sell a brand
1173 of mixed spirit beverages sold by a supplier.

1174 (2) FAIR MARKET VALUE. An amount equal to a multiple of
1175 the wholesaler's gross profit on the wholesaler's sales of the
1176 supplier's products in the 12-month period immediately



1177 preceding the date of the notice of termination or nonrenewal
1178 by supplier.

1179 (3) GOOD CAUSE. A material breach by the wholesaler of
1180 an essential element in a distribution agreement with a
1181 supplier which is uncured or which reoccurs three or more
1182 times.

1183 (4) GROSS PROFIT. The wholesaler's selling price, net
1184 of promotions, discounts, allowances, and freight, of the
1185 products sold during such 12-month period, less the
1186 wholesaler's cost to purchase the products from the supplier,
1187 net of any discounts, promotions, and allowances from
1188 supplier.

1189 (b) Upon a supplier's termination or nonrenewal of a
1190 distribution agreement with a wholesaler, except where
1191 termination or nonrenewal is for good cause, the supplier
1192 shall pay the wholesaler reasonable compensation in an amount
1193 equal to the fair market value of the wholesaler's business
1194 attributable to the supplier's portfolio, including the value
1195 of the distribution rights, current saleable inventory,
1196 goodwill, and other relevant assets.

1197 (c) The supplier and wholesaler shall have 30 days
1198 following receipt of the supplier's notice of termination or
1199 nonrenewal to agree upon a multiple of gross profit in
1200 determining fair market value. Following the notice of
1201 termination or nonrenewal, but prior to determination of the
1202 fair market value of the supplier's portfolio, the supplier
1203 and wholesaler shall each continue to operate in good faith in
1204 the regular course of the business relationship.



1205 (d) (1) In determining fair market value, in the event
1206 that supplier and wholesaler cannot agree upon the multiple of
1207 gross profit after 30 days, the parties shall then have 10
1208 business days to each, at their own cost, appoint an
1209 independent third-party appraiser with demonstrable experience
1210 in valuating alcoholic beverage distribution rights. Each
1211 party's independent appraiser, within 30 days, shall submit in
1212 writing the fair market value appraisal of the supplier's
1213 portfolio, including disclosing the multiple of gross profit
1214 used to arrive at the valuation.

1215 (2) If the independent appraisers' valuations of the
1216 supplier's portfolio are within 10 percent of each other, the
1217 fair market value shall be the average of the two valuations.

1218 (3) If the independent appraisers' valuations are not
1219 within 10 percent of each other, a third independent appraiser
1220 with experience in valuating alcoholic beverage distribution
1221 rights shall be retained by mutual agreement of the parties
1222 within 10 business days to assess the fair market value, and
1223 the fair market value shall be submitted in writing by the
1224 third independent appraiser within 30 days. The cost of the
1225 third independent appraiser shall be shared equally by the
1226 parties. The fair market value shall then be the average of:
1227 (i) the third independent appraiser's valuation; and (ii) the
1228 average of the first two valuations.

1229 (e) The supplier shall have no more than seven business
1230 days after the determination of fair market value within which
1231 to remit payment of reasonable compensation to the wholesaler.

1232 Section 9. If any provision of this act, or its



1233 application to any person or circumstance, is determined by a
1234 court to be invalid or unconstitutional, that provision shall
1235 be stricken and the remaining provisions shall be construed in
1236 accordance with the intent of the Legislature to further limit
1237 rather than expand commerce in alcoholic beverages, including
1238 by prohibiting any commerce in alcoholic beverages not
1239 expressly authorized, and to enhance strict regulatory control
1240 over taxation, distribution, and sale of alcoholic beverages
1241 through the existing uniform system of regulation of alcoholic
1242 beverages.

1243 Section 10. This act shall become effective on October
1244 1, 2025.