

SB202 INTRODUCED



1 SB202
2 B6I9QJJ-1
3 By Senators Singleton, Stewart, Hatcher
4 RFD: Tourism
5 First Read: 27-Feb-25



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SYNOPSIS:

Existing law makes no specific provision regarding the retail sale of low-alcohol by volume content beverages made from liquor.

This bill would define a new category of ready to drink mixed liquor beverages containing no more than 7 percent alcohol by volume called "spirit infused beverages."

This bill would establish a license category to sell these beverages for on-premise and off-premise consumption and would provide for a licensure fee.

This bill would also regulate how these beverages shall be displayed by retailers.

A BILL
TO BE ENTITLED
AN ACT

Relating to alcoholic beverages; to amend Section 28-3-1, Code of Alabama 1975, to define a new category of low-alcohol content liquor beverages called "spirit infused beverages"; to add Section 28-3A-17.3 to the Code of Alabama 1975, to provide for a license for retailers to sell spirit infused beverages; to amend Section 28-3A-21, Code of Alabama



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29 1975, to set a fee for the license; to regulate the display of
30 spirit infused beverages by retailers; and to make
31 nonsubstantive, technical revisions to update the existing
32 code language to current style.

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

34 Section 1. Section 28-3-1 , Code of Alabama 1975, is
35 amended to read as follows:

36 "§28-3-1

37 As used in this title, the following words ~~shall~~ have
38 the following meanings unless the context clearly indicates
39 otherwise:

40 (1) ALCOHOLIC BEVERAGES. Any alcoholic, spirituous,
41 vinous, fermented, or other alcoholic beverage, or combination
42 of liquors and mixed liquor, a part of which is spirituous,
43 vinous, fermented, or otherwise alcoholic, and all drinks or
44 drinkable liquids, preparations, or mixtures intended for
45 beverage purposes, which contain one-half of one percent or
46 more of alcohol by volume, ~~and shall include. The term~~
47 includes liquor, beer, ~~and wine, and spirit infused beverages.~~

48 (2) ASSOCIATION. A partnership, limited partnership, or
49 any form of unincorporated enterprise owned by two or more
50 persons.

51 (3) BEER, or MALT OR BREWED BEVERAGES. Any beer, lager
52 beer, ale, porter, malt or brewed beverage, or similar
53 fermented beverage containing one-half of one percent or more
54 of alcohol by volume and not in excess of ~~thirteen and~~
55 ~~nine-tenths~~ 13.9 percent alcohol by volume, brewed or produced
56 from malt, wholly or in part, or from rice, grain of any kind,



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57 bran, glucose, sugar, or molasses. A beer or malt or brewed
58 beverage may incorporate honey, fruit, fruit juice, fruit
59 concentrate, herbs, spices, or other flavorings during the
60 fermentation process. The term does not include any product
61 defined as liquor, table wine, or wine.

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

63 (5) BRANDY. All beverages that are an alcoholic
64 distillate from the fermented juice, mash, or wine of fruit,
65 or from the residue thereof, produced in such manner that the
66 distillate possesses the taste, aroma, and characteristics
67 generally attributed to the beverage, as bottled at not less
68 than 80 degree proof.

69 (6) CARTON. The package or container or containers in
70 which alcoholic beverages are originally packaged for shipment
71 to market by the manufacturer or its designated
72 representatives or the importer.

73 (7) CIDER. A fermented alcoholic beverage made from
74 apple juice and containing not more than 8.5 percent alcohol
75 by volume.

76 (8) CLUB.

77 a. Class I. A corporation or association organized or
78 formed in good faith by authority of law and which must have
79 at least 150 paid-up members. It must be the owner, lessee, or
80 occupant of an establishment operated solely for the objects
81 of a national, social, patriotic, political, or athletic
82 nature or the like, but not for pecuniary gain, and the
83 property as well as the advantages of which, belong to all the
84 members and which maintains an establishment provided with



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85 special space and accommodations where, in consideration of
86 payment, food with or without lodging is habitually served.
87 The club shall hold regular meetings, continue its business
88 through officers regularly elected, admit members by written
89 application, investigation, and ballot, and charge and collect
90 dues from elected members.

91 b. Class II. A corporation or association organized or
92 formed in good faith by authority of law and which must have
93 at least 100 paid-up members. It must be the owner, lessee, or
94 occupant of an establishment operated solely for the objects
95 of a national, social, patriotic, political, or athletic
96 nature or the like. The club shall hold regular meetings,
97 continue its business through officers regularly elected,
98 admit members by written application, investigation, and
99 ballot, and charge and collect dues from elected members.

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

105 (10) CORPORATION. A corporation or joint stock
106 association organized under the laws of this state, the United
107 States, or any other state, territory or foreign country, or
108 dependency.

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

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



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113 Alabama Alcoholic Beverage Control Board in accordance with
114 Section 28-3A-13.1 that authorizes the licensee, the
115 licensee's employees, or independent contractors under a
116 contractual or business arrangement with the licensee to
117 transport and deliver alcoholic beverages.

118 (13) DRY COUNTY. Any county which by a majority of
119 those voting voted in the negative in an election ~~heretofore~~
120 held under the applicable statutes at the time of the election
121 or may hereafter vote in the negative in an election or
122 special method referendum hereafter held in accordance with
123 Chapter 2, or held in accordance with ~~the provisions of~~ any
124 act hereafter enacted permitting such election.

125 (14) DRY MUNICIPALITY. Any municipality within a wet
126 county which has, by its governing body or by a majority of
127 those voting in a municipal election heretofore held in
128 accordance with the provisions of Section 28-2-22, or in a
129 municipal option election heretofore or hereafter held in
130 accordance with ~~the provisions of Act 84-408, Acts of Alabama~~
131 ~~1984, appearing as~~ Chapter 2A, or any act hereafter enacted
132 permitting municipal option election, voted to exclude the
133 sale of alcoholic beverages within the corporate limits of the
134 municipality.

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

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

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

140 b. Services, including supplementation and



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

144 c. Service to and on behalf of dependent, neglected, or
145 delinquent children.

146 d. Investigative and referral services to and on behalf
147 of needy persons.

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

152 (18) HOTEL. A building or buildings held out to the
153 public for housing accommodations of travelers or transients,
154 and shall include motel, but shall not include a rooming house
155 or boarding house.

156 (19) IMPORTER. Any person, association, or corporation
157 engaged in importing alcoholic beverages, liquor, wine, ~~or~~
158 beer, or spirit infused beverages, manufactured outside of the
159 United States of America into this state or for sale or
160 distribution in this state, or to the board or to a licensee
161 of the board.

162 (20) INDEPENDENT CONTRACTOR. An individual to whom an
163 employer is required to issue a 1099 tax form under federal
164 law.

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

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



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169 fermented, or other alcoholic beverage, or combination of
170 liquors and mixed liquor, a part of which is spirituous,
171 fermented, vinous, or otherwise alcoholic, and all drinks or
172 drinkable liquids, preparations, or mixtures intended for
173 beverage purposes, which contain one-half of one percent or
174 more of alcohol by volume, except beer and table wine.

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

178 (24) MANUFACTURER. Any person, association, or
179 corporation engaged in the producing, bottling, manufacturing,
180 distilling, fermenting, brewing, rectifying, or compounding of
181 alcoholic beverages, liquor, beer, ~~or~~ wine, or spirit infused
182 beverages in this state or for sale or distribution in this
183 state or to the board or to a licensee of the board.

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

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

191 (27) MINOR. Any person under 21 years of age; provided,
192 however, in the event Section 28-1-5~~7~~ shall be repealed or
193 otherwise shall be no longer in effect, ~~thereafter~~ the
194 provisions of Section 26-1-1~~7~~ shall govern.

195 (28) MUNICIPALITY. Any incorporated city or town of
196 this state to include its police jurisdiction.



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197 (29) PERSON. Every natural person, association, or
198 corporation. Whenever used in a clause prescribing or imposing
199 a fine or imprisonment, or both, such term as applied to
200 association shall mean the partners or members thereof and as
201 applied to corporation shall mean the officers thereof, except
202 as to incorporated clubs, ~~the term person shall mean such~~means
203 the individual or individuals who, under the bylaws of such
204 clubs, ~~shall~~ have jurisdiction over the possession and sale of
205 liquor therein.

206 (30) POPULATION. The population according to the last
207 preceding or any subsequent decennial census of the United
208 States, except where a municipality is incorporated subsequent
209 to the last census, in which event, its population until the
210 next decennial census shall be the population of the
211 municipality as determined by the judge of probate of the
212 county as the official population on the date of its
213 incorporation.

214 (31) RESTAURANT. A reputable place licensed as a
215 restaurant, operated by a responsible person of good
216 reputation and habitually and principally used for the purpose
217 of preparing and serving meals for the public to consume on
218 the premises.

219 (32) RETAILER. Any person licensed by the board to
220 engage in the retail sale of any alcoholic beverages to the
221 consumer.

222 (33) SALE or SELL. Any transfer of liquor, wine, ~~or~~
223 beer, or spirit infused beverages for a consideration, and any
224 gift in connection with, or as a part of, a transfer of



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225 property other than liquor, wine, ~~or~~ beer, or spirit infused
226 beverages for a consideration.

227 (34) SELLING PRICE. The total marked-up price of
228 spirituous or vinous liquors sold by the board, exclusive of
229 taxes levied thereon.

230 (35) SPIRIT INFUSED BEVERAGES. A single-serve beverage
231 containing liquor, packaged in a can or container approved by
232 the board no larger than 16 ounces or 480 milliliters, and
233 which contains no more than seven percent alcohol by volume.

234 ~~(35)~~ (36) TABLE WINE. Except as otherwise provided in
235 this subdivision, any wine containing not more than 24 percent
236 alcohol by volume. Table wine does not include any wine
237 containing more than ~~sixteen and one-half~~ 16.5 percent alcohol
238 by volume that is made with herbs or flavors, except vermouth,
239 or is an imitation or other than standard wine. Table wine is
240 not liquor, spirituous, or vinous.

241 ~~(36)~~ (37) UNOPENED CONTAINER. A container containing
242 alcoholic beverages, which has not been opened or unsealed
243 subsequent to filling and sealing by the manufacturer or
244 importer.

245 ~~(37)~~ (38) WET COUNTY. Any county which by a majority of
246 those voting voted in the affirmative in an election
247 heretofore held in accordance with the statutes applicable at
248 the time of the election or may hereafter vote in the
249 affirmative in an election or special method referendum held
250 in accordance with Chapter 2, or other statutes applicable at
251 the time of the election.

252 ~~(38)~~ (39) WET MUNICIPALITY. Any municipality in a dry



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253 county which by a majority of those voting voted in the
254 affirmative in a municipal option election heretofore or
255 hereafter held in accordance with ~~the provisions of Act~~
256 ~~84-408, Acts of Alabama 1984, appearing as~~ Chapter 2A ~~of this~~
257 ~~title, as amended,~~ or any act hereafter enacted permitting
258 municipal option election, or any municipality which became
259 wet by vote of the governing body or by the voters of the
260 municipality heretofore or hereafter held under the special
261 method referendum provisions of Section 28-2-22, or as
262 hereafter provided, where the county has become dry subsequent
263 to the elected wet status of the municipality.

264 ~~(39)~~ (40) WHOLESALER. Any person licensed by the board
265 to engage in the sale and distribution of table wine and beer,
266 or either of them, within this state, at wholesale only, to be
267 sold by export or to retail licensees or other wholesale
268 licensees or others within this state lawfully authorized to
269 sell table wine and beer, or either of them, for the purpose
270 of resale only.

271 ~~(40)~~ (41) WINE. All beverages made from the fermentation
272 of fruits, berries, or grapes, with or without added spirits,
273 and produced in accordance with the laws and regulations of
274 the United States, containing not more than 24 percent alcohol
275 by volume, and shall include all sparkling wines, carbonated
276 wines, special natural wines, rectified wines, vermouths,
277 vinous beverages, vinous liquors, and like products, including
278 restored or unrestored pure condensed juice."

279 Section 2. Section 28-3A-17.3 is added to the Code of
280 Alabama to read as follows:



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281 §28-3A-17.3

282 (a) Upon payment of the limited spirit expanded retail
283 license fee as established in Section 28-3A-21, the board
284 shall issue a limited spirit expanded retail license to any
285 person who possesses any of the following:

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

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

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

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

294 (b) (1) A license issued under this section shall
295 authorize the licensee to purchase spirit infused beverages
296 from the board and sell the spirit infused beverages at
297 retail, commensurate with the privileges granted to the
298 licensee to sell at retail beer or table wine either for
299 on-premises or off-premises consumption, or only for
300 off-premises consumption.

301 (2)a. For purposes of this subdivision, a "supply
302 location" is a licensee under this section that also stores
303 beer, wine, and spirit infused beverages for supply to another
304 licensee under this section with which the supply location is
305 affiliated through common ownership.

306 b. A supply location may purchase spirit infused
307 beverages in quantities of 50 cases or more from the board at
308 one time for storage and transport the spirit infused



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309 beverages for supply to an affiliated licensee.

310 (c) The board shall retain all collected limited spirit
311 expanded retail license fees. The board may use collected fees
312 for regulatory and administrative purposes as determined by
313 the board.

314 (d) Upon payment of a limited spirit expanded retail
315 license fee, there shall be no additional licensing or
316 administrative requirements, including no requirement for
317 additional background checks, which may be imposed on
318 licensees by a municipality, a county, or the state for the
319 sale of spirit infused beverages.

320 (e) The board may adopt rules to implement this
321 section.

322 Section 3. Section 28-3A-21, Code of Alabama 1975, is
323 amended to read as follows:

324 "§28-3A-21

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

328 (1) Manufacturer license, license fee of five hundred
329 dollars (\$500).

330 (2) Importer license, license fee of five hundred
331 dollars (\$500).

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

334 (4) ~~Wholesaler~~Beer wholesaler license, ~~beer~~ license fee
335 of five hundred fifty dollars (\$550) ~~or wine license fee of~~
336 ~~five hundred fifty dollars (\$550); license fee for beer and~~



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337 ~~wine of seven hundred fifty dollars (\$750);~~ plus two hundred
338 dollars (\$200) for each warehouse in addition to the principal
339 warehouse.

340 (5) Warehouse license, license fee of two hundred
341 dollars (\$200).

342 (6) Lounge retail liquor license, license fee of three
343 hundred dollars (\$300).

344 (7) Restaurant retail liquor license, license fee of
345 three hundred dollars (\$300).

346 (8) Club liquor license, Class I license fee of three
347 hundred dollars (\$300), Class II license fee of seven hundred
348 fifty dollars (\$750).

349 (9) Retail table wine license for off-premises
350 consumption, license fee of one hundred fifty dollars (\$150).

351 (10) Retail table wine license for on-premises and
352 off-premises consumption, license fee of one hundred fifty
353 dollars (\$150).

354 (11) Retail beer license for on-premises and
355 off-premises consumption, license fee of one hundred fifty
356 dollars (\$150).

357 (12) Retail beer license for off-premises consumption,
358 license fee of one hundred fifty dollars (\$150).

359 (13) Retail common carrier liquor license, license fee
360 of one hundred fifty dollars (\$150) for each railroad,
361 airline, bus line, ship line, vessel, or other common carrier
362 entity with a vehicle passenger capacity of at least 10
363 people.

364 (14) Special retail license, license fee of one hundred



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365 dollars (\$100) for 30 days or less; license fee of two hundred
366 fifty dollars (\$250) for more than 30 days.

367 (15) Special events retail license, license fee of one
368 hundred fifty dollars (\$150).

369 (16) Limited spirit expanded retail license for
370 on-premises and off-premises consumption, license fee of one
371 hundred fifty dollars (\$150).

372 (17) Limited spirit expanded retail license for
373 off-premises consumption, license fee of one hundred fifty
374 dollars (\$150).

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

377 (c) In addition to the foregoing filing fee and license
378 taxes or fees, any county or municipality in which the sale of
379 alcoholic beverages is permitted shall be authorized to fix
380 and levy privileges or license taxes on any of the foregoing
381 licenses located or operated therein, conditioned on a permit
382 or license being issued by the board.

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

385 Section 4. A holder of a limited spirit expanded retail
386 license shall only advertise and display spirit infused
387 beverages adjacent to beer or wine. The licensee is not
388 required to maintain a separate entrance or door for customer
389 access to spirit infused beverages.

390 Section 5. This act shall become effective on October
391 1, 2025.