

**SB316 ENGROSSED**



1 SB316  
2 KHZJHAA-2  
3 By Senators Singleton, Bell  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 08-Apr-25



## SB316 Engrossed

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

A BILL  
TO BE ENTITLED  
AN ACT

Relating to alcoholic beverages; to add Section 28-3A-6.5 to the Code of Alabama 1975, to require the Alcoholic Beverage Control Board to issue an educational tourism distillery license; to regulate retail sale of alcoholic beverages by the licensee; to levy a tax on liquor manufactured by the licensee; to provide for storage of liquor manufactured by the licensee; to amend Section 28-3A-21, Code of Alabama 1975, to set a license fee; and to amend Section 28-6A-2, Code of Alabama 1975, to provide for purchase of table wine from a small farm winery by an educational tourism distillery.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 28-3A-6.5 is added to the Code of Alabama 1975, as follows:

§28-3A-6.5

(a)(1) Upon compliance by an applicant with this section and this chapter and provided the operation shall be in compliance with state and federal laws, rules, and regulations, the Alabama Alcoholic Beverage Control Board may issue an Educational Tourism Distillery license to any person,



## SB316 Engrossed

association, or corporation engaged in the producing, bottling, manufacturing, distilling, rectifying, or compounding of liquor upon payment of the license fee as established in Section 28-3A-21.

(2) For the purposes of this section, an Educational Tourism Distillery licensee must produce, bottle, manufacture, distill, rectify, or compound 100,000 gallons or more of liquor a year.

(3) For purposes of this section, the total gross sales of an Educational Tourism Distillery licensee must be 50 percent or more from liquor products produced, bottled, manufactured, distilled, rectified, or compounded on site.

(4) For purposes of this section, an Educational Tourism Distillery licensee may export sales outside of the State of Alabama.

(5) Any licensee operating under or in conjunction with an Educational Tourism Distillery license shall be responsible for ensuring compliance with all applicable laws and board rules relating to the sale of alcohol.

(b) An Educational Tourism Distillery license authorizes the licensee to do all of the following on the premises pursuant to this section:

(1) Purchase other liquor and wine from the board, or as authorized by the board; purchase table wine and beer from any wholesale licensee of the board; and sell liquor, wine, and beer dispensed from containers of any size, to include draft beer, for on-premises consumption. The sale of alcoholic beverages under this subdivision shall be confined to a



## SB316 Engrossed

57 designated enclosed area comprising no fewer than 500 square  
58 feet for service and consumption, within which patrons under  
59 21 years of age are prohibited from entering. Any liquor  
60 manufactured at the licensed premises may be sold for  
61 on-premise consumption in this designated area, provided that  
62 the total amount of liquor sold in a single tasting or  
63 sampling flight does not exceed one and one-half ounces.

64 (2) Purchase other liquor and wine from the board, or  
65 as authorized by the board; purchase table wine and beer from  
66 any wholesale licensee of the board; and sell liquor, wine,  
67 and beer dispensed from containers of any size, to include  
68 draft beer, for on-premises consumption in a freestanding  
69 separate structure on the licensed premises where the licensee  
70 provides or serves food. Any liquor manufactured at the  
71 licensed premises may be sold at retail for on-premises  
72 consumption in the designated area.

73 (3) Purchase other liquor and wine from the board, or  
74 as authorized by the board; purchase table wine and beer from  
75 any wholesale licensee of the board; and sell liquor, wine,  
76 and beer dispensed from containers of any size, to include  
77 draft beer, for on-premises consumption at temporary or  
78 permanently designated serving stations on the licensed  
79 premises for special events such as receptions, parties, or  
80 similar gatherings. A licensee shall post at each of its  
81 special event serving stations at least one sign warning  
82 customers that the sale of alcoholic beverages to patrons  
83 under 21 years of age is strictly prohibited. Any liquor  
84 manufactured at the licensed premises may be sold for



## SB316 Engrossed

on-premises consumption in the designated serving stations.

(4) Sell at retail in a designated enclosed area which shall be separate from all other designated areas on the licensed premises, for off-premises consumption, liquor manufactured at the licensed premises; provided, however, liquor sold for off-premises consumption may not exceed four and one-half liters per customer per day and shall be sealed, labeled, packaged, and taxed in accordance with state and federal laws and regulations.

(5) Must provide patrons with the opportunity to participate in a guided tour of the distillery operations, which tours must include an educational component in which an in-person guide provides information to patrons regarding the historic and scientific characteristics of the liquor manufactured at the licensed premises. A licensee may offer a tasting or sampling of liquor manufactured at the licensed premises at the conclusion of each tour in a designated enclosed area which shall be separate from all other designated areas on the licensed premises, provided that the total amount of liquor provided to each patron for such tasting or sampling does not exceed one and one-half ounces. The price of such tasting or sampling shall be included in the price charged to patrons over 21 years of age for the guided tour. No retail sales shall be authorized in the designated area.

(c) An Educational Tourism Distillery licensee may transfer liquor directly from a licensed manufacturer. For the purposes of this subdivision, the licensee must have a 75



## SB316 Engrossed

113 percent ownership or control of the brand or product received  
114 by the licensee.

115 (d) The licensed premises must contain a distillery  
116 operation that encompasses no fewer than 5,000 square feet in  
117 one or more structures.

118 (e) There is levied and assessed upon all liquor  
119 manufactured on the premises that is dispensed or sold at  
120 retail for on-premises or off-premises consumption, as well as  
121 samplings and tastings consumed as provided in this section,  
122 the mark up and the privilege or excise tax imposed on the  
123 retail sale of liquor in a state liquor store, in the same  
124 manner as if collected in a state liquor store. Taxes and  
125 markup described in this subsection shall be remitted by the  
126 licensee to the board. The respective mark up and taxes  
127 collected will be distributed, respectively, in the same  
128 manner as the mark up and taxes collected in an ABC liquor  
129 store.

130 (f) The tax levied in subsection (e) shall be collected  
131 by a return which shall be filed by the licensee with the  
132 board postmarked not later than the last day of the month  
133 following the month of production or sale of liquor, which  
134 shall be accompanied by the remittance of the tax due. The  
135 report shall include, but not be limited to, a consolidated  
136 report of all liquor manufactured, sold, or otherwise consumed  
137 on the licensed location. The report shall be in the form and  
138 containing information as the board may prescribe.

139 (1) If a licensee fails to file any return required to  
140 be filed with the board on or before the date prescribed



## SB316 Engrossed

therefor, including any written extension of time granted by the board in advance, there shall be assessed as a penalty the greater of 10 percent of any additional tax required to be paid with the return or fifty dollars (\$50).

(2) If a licensee fails to pay to the board the amount of the tax due on a return required to be filed on or before the date prescribed for payment of the tax, including any written extension of time granted by the board in advance, there shall be added as a penalty 10 percent of the unpaid amount due on the return.

(3) Interest shall be added to any tax due to the board which is not paid by the due date, from the due date of the tax, computed based on the underpayment rate established by the Secretary of the Treasury under the authority of 26 U.S.C. § 6621.

(g) An Educational Tourism Distillery licensee shall not sell any alcoholic beverages direct to any retailer.

(h) An Educational Tourism Distillery licensee shall file with the board, prior to making any sales in Alabama, a list of its labels to be sold in Alabama and shall file with the board its federal certificate of label approvals or its certificates of exemption as required by the U.S. Treasury Department. All liquors whose labels have not been registered as herein provided for shall be considered contraband and may be seized by the board or its agents, or any peace officer of the State of Alabama without a warrant and the goods shall be delivered to the board and disposed of as provided by law.

(i) (1) An Educational Tourism Distillery licensee shall



## SB316 Engrossed

keep at its principal place of business within the state daily permanent records that show the quantities of raw materials received and used in the manufacture of liquor, and the quantities of alcoholic beverages manufactured and stored, the sale of alcoholic beverages, the quantities of alcoholic beverages stored for hire or transported for hire by or for the licensee, and the names and addresses of the purchasers or other recipients thereof.

(2) An Educational Tourism Distillery licensee shall keep and maintain for a minimum of three years all records required to be kept and maintained at the licensed location by manufacturer, wholesaler, and retailer licensees for the tax so levied except that the Educational Tourism Distillery is not required to maintain name, address, or other personal demographic information for sales as provided in subdivision (1).

(j) An Educational Tourism Distillery Licensee shall be subject to inspection by members of the board or by individuals authorized and designated by the board at any time of the day or night as they may deem necessary for the detection of violations of this chapter, of any law, or of the rules of the board, or for the purpose of ascertaining the correctness of the records required to be kept by the licensees. The books and records of licensees, at all times, shall be open to inspection by members of the board or by individuals authorized and designated by the board. Members of the board and its authorized agents, without hindrance, may enter any place that is subject to inspection hereunder or any





## SB316 Engrossed

place where records are kept for the purpose of making inspections and making transcripts thereof.

(k) An Educational Tourism Distillery Licensee may be certified in the Responsible Vendor Program.

(l) A licensee shall post in each of its locations where alcoholic beverages are served at least one sign warning customers that the sale of alcoholic beverages to patrons under 21 years of age is strictly prohibited. The sign shall be posted at a point of sale or in any other location that is visible to customers and employees.

(m) An Educational Tourism Distillery licensee shall maintain a surety bond of not less than twenty-five thousand dollars (\$25,000), payable to the Alabama Alcoholic Beverage Control Board for any outstanding fine, penalty, or tax.

(n) Upon approval of the Alabama Alcoholic Beverage Control Board, a licensee shall be allowed one off-premises manufacturer extension location for the exclusive storage of finished and unfinished goods pursuant to this section:

(1) A licensee must provide documentation indicating approval from the Alcohol and Tobacco Tax and Trade Bureau for the extension. Prior to a manufacturer extension being issued in Alabama, the licensee must provide all of the following:

a. Approval of the manufacturer extension from the Alcohol and Tobacco Tax and Trade Bureau.

b. A lease, deed, or other document showing control of the property.

c. A current, valid Educational Tourism Distillery license from the board.



## SB316 Engrossed

225           (2) The application for a manufacturing extension must  
226 be approved by the board prior to its use.

227           (3) The manufacturer extension premises must be secured  
228 at all times.

229           (4) The manufacturer extension premises cannot be used  
230 for the exportation of products nor any form of distribution  
231 of products within Alabama.

232           (5) Except where otherwise prohibited by federal or  
233 state statute, a licensee may obtain a manufacturer extension  
234 for a building located 10 miles or less from the original  
235 licensed premises. A manufacturer extension will be prohibited  
236 outside the State of Alabama.

237           (6) Authorized representatives of the board or  
238 commissioned law enforcement officers of the state, county, or  
239 municipality in which the manufacturer extension premises is  
240 located shall be allowed to enter and search, without a  
241 warrant, the manufacturer extension premises or any building  
242 owned or occupied by the licensee in connection therewith,  
243 adjoining, adjacent to, or part of the curtilage thereof,  
244 whether used as a private dwelling or not, at any time.

245           (7) No sales, sampling, or tastings of any alcoholic  
246 beverage shall be allowed at the manufacturer extension  
247 premises.

248           (8) A licensee under this section that is issued a  
249 manufacturer extension must maintain all records related to  
250 the disposition of the finished or unfinished goods stored in  
251 the extension, as applicable.

252           (9) The finished and unfinished goods may be



## SB316 Engrossed

transported in bond from the licensed premises to the manufacturer extension location for storage, as applicable. Transportation shall be made by the licensee or employee of the same in a vehicle bearing signage on each side identifying the licensee. Included in the transportation vehicle shall be a current copy of the manufacturer extension and the bill of lading or other documentary evidence of ownership of the product on board.

Section 2. Section 28-3A-21, Code of Alabama 1975, is amended to read as follows:

"§28-3A-21

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

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

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

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

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

(5) Wine wholesaler license, license fee of five hundred fifty dollars (\$550) plus two hundred dollars (\$200)



## SB316 Engrossed

281 for each warehouse in addition to the principal warehouse.

282 ~~(5)~~ (6) Warehouse license, license fee of two hundred  
283 dollars (\$200).

284 ~~(6)~~ (7) Lounge retail liquor license, license fee of  
285 three hundred dollars (\$300).

286 ~~(7)~~ (8) Restaurant retail liquor license, license fee of  
287 three hundred dollars (\$300).

288 ~~(8)~~ (9) Club liquor license, Class I license fee of  
289 three hundred dollars (\$300), Class II license fee of seven  
290 hundred fifty dollars (\$750).

291 ~~(9)~~ (10) Retail table wine license for off-premises  
292 consumption, license fee of one hundred fifty dollars (\$150).

293 ~~(10)~~ (11) Retail table wine license for on-premises and  
294 off-premises consumption, license fee of one hundred fifty  
295 dollars (\$150).

296 ~~(11)~~ (12) Retail beer license for on-premises and  
297 off-premises consumption, license fee of one hundred fifty  
298 dollars (\$150).

299 ~~(12)~~ (13) Retail beer license for off-premises  
300 consumption, license fee of one hundred fifty dollars (\$150).

301 ~~(13)~~ (14) Retail common carrier liquor license, license  
302 fee of one hundred fifty dollars (\$150) for each railroad,  
303 airline, bus line, ship line, vessel or other common carrier  
304 entity with a vehicle passenger capacity of at least 10  
305 people.

306 ~~(14)~~ (15) Special retail license, license fee of one  
307 hundred dollars (\$100) for 30 days or less; license fee of two  
308 hundred fifty dollars (\$250) for more than 30 days.



## SB316 Engrossed

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

(17) Educational tourism distillery license, license fee of one thousand dollars (\$1,000).

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

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

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

Section 3. Section 28-6A-2, Code of Alabama 1975, is amended to read as follows:

"§28-6A-2

(a) (1) For the purposes of this section, the term "table wine" includes mead.

(2) For the purposes of this section, a "small farm winery" means a manufacturer of table wine licensed by the Alcoholic Beverage Control Board, which produces fewer than 50,000 gallons of table wine per year, and meets one of the following criteria:

a. Produces at least 50 percent of its total production of table wine from fruit that is grown, or honey that is harvested, in this state.

b. Produces all of its total production of table wine



## SB316 Engrossed

within this state and owns not less than eight acres of vineyards in this state.

(3) For the purposes of this section, table wine that has been produced by a manufacturer, or a subsidiary or affiliate or other related entity of the manufacturer, and table wine produced exclusively for the winery by another manufacturer shall be considered to be produced by the winery and shall be included in the 50,000 gallon limit provided in subdivision (2).

(b) A catastrophic loss to produce grown in this state, including, but not limited to, one caused by drought or frost, may not disqualify a small farm winery if the winery qualified as a small farm winery prior to the catastrophic loss.

(c) Notwithstanding any provision of this title to the contrary, a small farm winery may do all of the following:

(1) Sell its table wines produced on its licensed premises directly from its licensed premises at retail to consumers physically present at the licensed premises, either for on-premises or off-premises consumption, for personal use and not for resale; provided, the winery collects and remits all state and local sales or use taxes and excise taxes due on the sale of table wine to consumers, packages and labels the wine in accordance with state and federal law, and reports its annual production of table wine to the board.

(2)a. Either of the following, provided that transportation of wine under this subdivision is made by the winery's employees in a vehicle owned or leased by the winery:

1. Sell and transport up to 10,000 gallons of its table



## SB316 Engrossed

wine produced on its licensed premises directly to licensed  
retailers each year.

2. Sell and transport up to 20,000 gallons of its table  
wine produced on its licensed premises directly to licensed  
retailers each year, if the winery provides to the board proof  
that the winery's table wine has been declined to be  
distributed by two separate wholesalers of table wine. If the  
winery's table wine has been accepted for distribution by any  
wholesaler of table wine, then the winery may not sell its  
table wine directly to retailers under this paragraph.

b. For purposes of this subdivision, "retailers"  
include those that are licensed by the board for on-premises  
consumption, for off-premises consumption, or for both.

c. If a winery sells and transports 20,000 total  
gallons of table wine directly to retailers as provided in  
this subdivision in any one year, that winery may not  
subsequently sell and transport table wine directly to  
retailers under this subdivision.

d. Notwithstanding any other provision of this section  
to the contrary, a small farm winery may only sell and  
transport table wine that has been approved by the board for  
sale within the state and for which the small farm winery owns  
the Certificate of Label Approval issued by the Alcohol and  
Tobacco Tax and Trade Bureau.

(3) Provided that transportation of wine under this  
subdivision is made by the winery's employees in a vehicle  
owned or leased by the winery, sell and transport its table  
wine to an educational tourism distillery licensed under this



## SB316 Engrossed

393 title solely for on-premises consumption at the educational  
394 tourism distillery pursuant to law and board rules.

395 (d) A county or a municipality may not require a small  
396 farm winery to pay any fees, including business licensure  
397 fees, to make sales or deliveries under this section, or any  
398 additional local tax other than the tax described in  
399 subdivision (c)(1).

400 (e)(1) A small farm winery shall maintain records  
401 verifying that the winery meets the qualifications under this  
402 section, and shall provide those records to the board upon  
403 request.

404 (2) A small farm winery shall report to the board each  
405 month the amount of table wine sold directly to each licensed  
406 retailer under this section.

407 (f) The board shall adopt rules to implement this  
408 section."

409 Section 4. This act shall become effective on October  
410 1, 2025.





## SB316 Engrossed

411  
412  
413 Senate

414 Read for the first time and referred .....08-Apr-25  
415 to the Senate committee on Fiscal  
416 Responsibility and Economic  
417 Development

418  
419 Read for the second time and placed .....09-Apr-25  
420 on the calendar:  
421 0 amendments

422  
423 Read for the third time and passed .....15-Apr-25  
424 as amended  
425 Yeas 26  
426 Nays 3  
427 Abstains 0

428  
429  
430 Patrick Harris,  
431 Secretary.  
432