

SB316 ENROLLED



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



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Enrolled, 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, 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



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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 designated enclosed area comprising no fewer than 500 square feet for service and consumption, within which patrons under 21 years of age are prohibited from entering. Any liquor manufactured at the licensed premises may be sold for on-premise consumption in this designated area, provided that



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the total amount of liquor sold in a single tasting or sampling flight does not exceed one and one-half ounces.

(2) 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 in a freestanding separate structure on the licensed premises where the licensee provides or serves food. Any liquor manufactured at the licensed premises may be sold at retail for on-premises consumption in the designated area.

(3) 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 at temporary or permanently designated serving stations on the licensed premises for special events such as receptions, parties, or similar gatherings. A licensee shall post at each of its special event serving stations at least one sign warning customers that the sale of alcoholic beverages to patrons under 21 years of age is strictly prohibited. Any liquor manufactured at the licensed premises may be sold for 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,



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

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



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

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

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



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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 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



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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 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



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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.

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

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

(4) The manufacturer extension premises cannot be used



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for the exportation of products nor any form of distribution of products within Alabama.

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

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

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

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

(9) The finished and unfinished goods may be 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



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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) for each warehouse in addition to the principal warehouse.

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

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



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281 ~~(7)~~(8) Restaurant retail liquor license, license fee of
282 three hundred dollars (\$300).

283 ~~(8)~~(9) Club liquor license, Class I license fee of
284 three hundred dollars (\$300), Class II license fee of seven
285 hundred fifty dollars (\$750).

286 ~~(9)~~(10) Retail table wine license for off-premises
287 consumption, license fee of one hundred fifty dollars (\$150).

288 ~~(10)~~(11) Retail table wine license for on-premises and
289 off-premises consumption, license fee of one hundred fifty
290 dollars (\$150).

291 ~~(11)~~(12) Retail beer license for on-premises and
292 off-premises consumption, license fee of one hundred fifty
293 dollars (\$150).

294 ~~(12)~~(13) Retail beer license for off-premises
295 consumption, license fee of one hundred fifty dollars (\$150).

296 ~~(13)~~(14) Retail common carrier liquor license, license
297 fee of one hundred fifty dollars (\$150) for each railroad,
298 airline, bus line, ship line, vessel or other common carrier
299 entity with a vehicle passenger capacity of at least 10
300 people.

301 ~~(14)~~(15) Special retail license, license fee of one
302 hundred dollars (\$100) for 30 days or less; license fee of two
303 hundred fifty dollars (\$250) for more than 30 days.

304 ~~(15)~~(16) Special events retail license, license fee of
305 one hundred fifty dollars (\$150).

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

308 (b) The license fees levied and fixed by this section



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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 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



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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 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



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

(d) A county or a municipality may not require a small farm winery to pay any fees, including business licensure fees, to make sales or deliveries under this section, or any



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393 additional local tax other than the tax described in
394 subdivision (c)(1).

395 (e)(1) A small farm winery shall maintain records
396 verifying that the winery meets the qualifications under this
397 section, and shall provide those records to the board upon
398 request.

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

402 (f) The board shall adopt rules to implement this
403 section."

404 Section 4. This act shall become effective on October
405 1, 2025.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB316
Senate 15-Apr-25
I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Amended and passed: 06-May-25

By: Senator Singleton