

**SB316 INTRODUCED**



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



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SYNOPSIS:

This bill would create a new licensure category under the Alcoholic Beverage Control Board to be known as an "educational tourism distillery."

This license would allow a manufacturer of liquor which hosts the public for tours, such as a distillery, to sell both the liquor it manufactures on site, and other alcoholic beverages, at retail to patrons for consumption at various locations on its premises.

This bill would require an educational tourism distillery licensee to pay tax on the liquor it manufacturers at the same rate at which liquor sold at an Alcoholic Beverage Control Board store is taxed.

This bill would also permit an educational tourism licensee to maintain a site, removed from its manufacturing facility, for the storage of the liquor it manufactures.

A BILL  
TO BE ENTITLED  
AN ACT



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29           Relating to alcoholic beverages; to add Section  
30 28-3A-6.5 to the Code of Alabama 1975, to require the  
31 Alcoholic Beverage Control Board to issue an educational  
32 tourism distillery license; to regulate retail sale of  
33 alcoholic beverages by the licensee; to levy a tax on liquor  
34 manufactured by the licensee; to provide for storage of liquor  
35 manufactured by the licensee; and to amend Section 28-3A-21,  
36 Code of Alabama 1975, to set a license fee.

37 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

40           §28-3A-6.5

41           (a) (1) Upon compliance by an applicant with this  
42 section and this chapter and provided the operation shall be  
43 in compliance with state and federal laws, rules, and  
44 regulations, the Alabama Alcoholic Beverage Control Board may  
45 issue an Educational Tourism Distillery license to any person,  
46 association, or corporation engaged in the producing,  
47 bottling, manufacturing, distilling, rectifying, or  
48 compounding of liquor upon payment of the license fee as  
49 established in Section 28-3A-21.

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

54           (3) For purposes of this section, the total gross sales  
55 of an Educational Tourism Distillery licensee must be 50  
56 percent or more from liquor products produced, bottled,



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57 manufactured, distilled, rectified, or compounded on site.

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

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

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

68 (1) Purchase other liquor and wine from the board, or  
69 as authorized by the board; purchase table wine and beer from  
70 any wholesale licensee of the board; and sell liquor, wine,  
71 and beer dispensed from containers of any size, to include  
72 draft beer, for on-premises consumption. The sale of alcoholic  
73 beverages under this subdivision shall be confined to a  
74 designated enclosed area comprising no fewer than 500 square  
75 feet for service and consumption, within which patrons under  
76 21 years of age are prohibited from entering. Any liquor  
77 manufactured at the licensed premises may be sold for  
78 on-premise consumption in this designated area, provided that  
79 the total amount of liquor sold in a single tasting or  
80 sampling flight does not exceed one and one-half ounces.

81 (2) Purchase other liquor and wine from the board, or  
82 as authorized by the board; purchase table wine and beer from  
83 any wholesale licensee of the board; and sell liquor, wine,  
84 and beer dispensed from containers of any size, to include



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85 draft beer, for on-premises consumption in a freestanding  
86 separate structure on the licensed premises where the licensee  
87 provides or serves food. Any liquor manufactured at the  
88 licensed premises may be sold at retail for on-premises  
89 consumption in the designated area.

90 (3) Purchase other liquor and wine from the board, or  
91 as authorized by the board; purchase table wine and beer from  
92 any wholesale licensee of the board; and sell liquor, wine,  
93 and beer dispensed from containers of any size, to include  
94 draft beer, for on-premises consumption at temporary or  
95 permanently designated serving stations on the licensed  
96 premises for special events such as receptions, parties, or  
97 similar gatherings. A licensee shall post at each of its  
98 special event serving stations at least one sign warning  
99 customers that the sale of alcoholic beverages to patrons  
100 under 21 years of age is strictly prohibited. Any liquor  
101 manufactured at the licensed premises may be sold for  
102 on-premises consumption in the designated serving stations.

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

111 (5) Must provide patrons with the opportunity to  
112 participate in a guided tour of the distillery operations,



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113 which tours must include an educational component in which an  
114 in-person guide provides information to patrons regarding the  
115 historic and scientific characteristics of the liquor  
116 manufactured at the licensed premises. A licensee may offer a  
117 tasting or sampling of liquor manufactured at the licensed  
118 premises at the conclusion of each tour in a designated  
119 enclosed area which shall be separate from all other  
120 designated areas on the licensed premises, provided that the  
121 total amount of liquor provided to each patron for such  
122 tasting or sampling does not exceed one and one-half ounces.  
123 The price of such tasting or sampling shall be included in the  
124 price charged to patrons over 21 years of age for the guided  
125 tour. No retail sales shall be authorized in the designated  
126 area.

127 (c) An Educational Tourism Distillery licensee may  
128 transfer liquor directly from a licensed manufacturer. For the  
129 purposes of this subdivision, the licensee must have a 75  
130 percent ownership or control of the brand or product received  
131 by the licensee.

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

135 (e) There is levied and assessed upon all liquor  
136 manufactured on the premises that is dispensed or sold at  
137 retail for on-premises or off-premises consumption, as well as  
138 samplings and tastings consumed as provided in this section,  
139 the mark up and the privilege or excise tax imposed on the  
140 retail sale of liquor in a state liquor store, in the same



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141 manner as if collected in a state liquor store. Taxes and  
142 markup described in this subsection shall be remitted by the  
143 licensee to the board. The respective mark up and taxes  
144 collected will be distributed, respectively, in the same  
145 manner as the mark up and taxes collected in an ABC liquor  
146 store.

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

156 (1) If a licensee fails to file any return required to  
157 be filed with the board on or before the date prescribed  
158 therefor, including any written extension of time granted by  
159 the board in advance, there shall be assessed as a penalty the  
160 greater of 10 percent of any additional tax required to be  
161 paid with the return or fifty dollars (\$50).

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

168 (3) Interest shall be added to any tax due to the board



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169 which is not paid by the due date, from the due date of the  
170 tax, computed based on the underpayment rate established by  
171 the Secretary of the Treasury under the authority of 26 U.S.C.  
172 § 6621.

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

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

185 (i) (1) An Educational Tourism Distillery licensee shall  
186 keep at its principal place of business within the state daily  
187 permanent records that show the quantities of raw materials  
188 received and used in the manufacture of liquor, and the  
189 quantities of alcoholic beverages manufactured and stored, the  
190 sale of alcoholic beverages, the quantities of alcoholic  
191 beverages stored for hire or transported for hire by or for  
192 the licensee, and the names and addresses of the purchasers or  
193 other recipients thereof.

194 (2) An Educational Tourism Distillery licensee shall  
195 keep and maintain for a minimum of three years all records  
196 required to be kept and maintained at the licensed location by





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197 manufacturer, wholesaler, and retailer licensees for the tax  
198 so levied except that the Educational Tourism Distillery is  
199 not required to maintain name, address, or other personal  
200 demographic information for sales as provided in subdivision  
201 (1).

202 (j) An Educational Tourism Distillery Licensee shall be  
203 subject to inspection by members of the board or by  
204 individuals authorized and designated by the board at any time  
205 of the day or night as they may deem necessary for the  
206 detection of violations of this chapter, of any law, or of the  
207 rules of the board, or for the purpose of ascertaining the  
208 correctness of the records required to be kept by the  
209 licensees. The books and records of licensees, at all times,  
210 shall be open to inspection by members of the board or by  
211 individuals authorized and designated by the board. Members of  
212 the board and its authorized agents, without hindrance, may  
213 enter any place that is subject to inspection hereunder or any  
214 place where records are kept for the purpose of making  
215 inspections and making transcripts thereof.

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

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

224 (m) An Educational Tourism Distillery licensee shall



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225 maintain a surety bond of not less than twenty-five thousand  
226 dollars (\$25,000), payable to the Alabama Alcoholic Beverage  
227 Control Board for any outstanding fine, penalty, or tax.

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

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

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

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

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

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

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

246 (4) The manufacturer extension premises cannot be used  
247 for the exportation of products nor any form of distribution  
248 of products within Alabama.

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



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253 outside the State of Alabama.

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

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

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

269 (9) The finished and unfinished goods may be  
270 transported in bond from the licensed premises to the  
271 manufacturer extension location for storage, as applicable.  
272 Transportation shall be made by the licensee or employee of  
273 the same in a vehicle bearing signage on each side identifying  
274 the licensee. Included in the transportation vehicle shall be  
275 a current copy of the manufacturer extension and the bill of  
276 lading or other documentary evidence of ownership of the  
277 product on board.

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

280 "§28-3A-21



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

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

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

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

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

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

299 ~~(5)~~ (6) Warehouse license, license fee of two hundred  
300 dollars (\$200).

301 ~~(6)~~ (7) Lounge retail liquor license, license fee of  
302 three hundred dollars (\$300).

303 ~~(7)~~ (8) Restaurant retail liquor license, license fee of  
304 three hundred dollars (\$300).

305 ~~(8)~~ (9) Club liquor license, Class I license fee of  
306 three hundred dollars (\$300), Class II license fee of seven  
307 hundred fifty dollars (\$750).

308 ~~(9)~~ (10) Retail table wine license for off-premises



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309 consumption, license fee of one hundred fifty dollars (\$150).

310 ~~(10)~~ (11) Retail table wine license for on-premises and  
311 off-premises consumption, license fee of one hundred fifty  
312 dollars (\$150).

313 ~~(11)~~ (12) Retail beer license for on-premises and  
314 off-premises consumption, license fee of one hundred fifty  
315 dollars (\$150).

316 ~~(12)~~ (13) Retail beer license for off-premises  
317 consumption, license fee of one hundred fifty dollars (\$150).

318 ~~(13)~~ (14) Retail common carrier liquor license, license  
319 fee of one hundred fifty dollars (\$150) for each railroad,  
320 airline, bus line, ship line, vessel or other common carrier  
321 entity with a vehicle passenger capacity of at least 10  
322 people.

323 ~~(14)~~ (15) Special retail license, license fee of one  
324 hundred dollars (\$100) for 30 days or less; license fee of two  
325 hundred fifty dollars (\$250) for more than 30 days.

326 ~~(15)~~ (16) Special events retail license, license fee of  
327 one hundred fifty dollars (\$150).

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

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

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



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337 or license being issued by the board.

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

340 Section 3. This act shall become effective on October  
341 1, 2025.