



SYNOPSIS:

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

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

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

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

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



each sales territory.

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

A BILL  
TO BE ENTITLED  
AN ACT

Relating to alcoholic beverages; to amend Sections 28-3-1, 28-3A-3, 28-3A-21, and 28-3A-23, Code of Alabama 1975; to define a new category of low-alcohol content liquor beverages called mixed spirit beverages; to add Section 28-3-208 to the Code of Alabama 1975, to levy an excise tax upon the distribution of mixed spirit beverages; to add Section 28-1-9 to the Code of Alabama 1975, to regulate the display by retailers of mixed spirit and other alcoholic beverages; to add Section 28-3A-9.1 to the Code of Alabama 1975, to provide a license for wholesalers of mixed spirit beverages; to add Section 28-3A-17.3 to the Code of Alabama 1975, to provide licenses for retailers of mixed spirit beverages; to set fees for the licenses; to amend Sections 28-3A-1.5, 28-3A-11, 28-3A-12, 28-3A-13, 28-3A-17.2, 28-3A-18, 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



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

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

"§28-3-1

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

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

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

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



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

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

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

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

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

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

b. Services, including supplementation and



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

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

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

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

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

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

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

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

(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



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

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

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

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

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



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

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

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

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

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

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

~~(37)~~ (38) WET COUNTY. Any county which by a majority of those voting voted in the affirmative in an election ~~heretofore~~ held in accordance with the statutes applicable at 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



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

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

§28-3-208

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

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

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

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



by a monthly return as follows:

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

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

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

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

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



deposited in the State General Fund.

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

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

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

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

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



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

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

"§28-3A-3

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

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

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

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

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

~~(5)~~ e. To store or warehouse ~~any or all~~ alcoholic 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



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

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

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

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

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

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



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

§28-3A-9.1

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

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

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

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

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

(4) Export mixed spirit beverages from the state.

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

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

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



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

§28-3A-17.3

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

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

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

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

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

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

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



spirit beverages to ensure compliance with this chapter.

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

Section 6. Sections 28-3A-21 and 28-3A-23, Code of Alabama 1975, are 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~~wholesaler 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.



(6) Beer and wine wholesaler license, license fee of seven hundred fifty dollars (\$750) plus two hundred dollars (\$200) for each warehouse in addition to the principal warehouse.

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

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

~~(5)~~ (9) Warehouse license, license fee of two hundred dollars (\$200).

~~(6)~~ (10) Lounge retail liquor license, license fee of three hundred dollars (\$300).

~~(7)~~ (11) Restaurant retail liquor license, license fee of three hundred dollars (\$300).

~~(8)~~ (12) Club liquor license, Class I license fee of three hundred dollars (\$300), Class II license fee of seven hundred fifty dollars (\$750).

~~(9)~~ (13) Retail table wine license for off-premises consumption, license fee of one hundred fifty dollars (\$150).

~~(10)~~ (14) Retail table wine license for on-premises and off-premises consumption, license fee of one hundred fifty dollars (\$150).

~~(11)~~ (15) Retail beer license for on-premises and off-premises consumption, license fee of one hundred fifty



617 dollars (\$150).

618 ~~(12)~~ (16) Retail beer license for off-premises  
619 consumption, license fee of one hundred fifty dollars (\$150).

620 ~~(13)~~ (17) Retail common carrier liquor license, license  
621 fee of one hundred fifty dollars (\$150) for each railroad,  
622 airline, bus line, ship line, vessel, or other common carrier  
623 entity with a vehicle passenger capacity of at least 10  
624 people.

625 ~~(14)~~ (18) Special retail license, license fee of one  
626 hundred dollars (\$100) for 30 days or less; license fee of two  
627 hundred fifty dollars (\$250) for more than 30 days.

628 ~~(15)~~ (19) Special events retail license, license fee of  
629 one hundred fifty dollars (\$150).

630 (20) Mixed spirit beverage expanded retail license,  
631 license fee of five hundred dollars (\$500).

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

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

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

642 "§28-3A-23

643 (a) No license prescribed in this title shall be issued  
644 or renewed until the provisions of this title have been



645 complied with and the filing and license fees other than those  
646 levied by a municipality are paid to the board.

647 (b) Licenses shall be granted and issued by the board  
648 only to reputable individuals, to associations whose members  
649 are reputable individuals, or to reputable corporations  
650 organized under the laws of this state or duly qualified  
651 thereunder to do business in Alabama, or, in the case of  
652 manufacturers, duly registered under the laws of Alabama, and  
653 then only when it appears that all officers and directors of  
654 the corporation are reputable individuals.

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

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





all costs associated with the background checks required by this section.

(3) For purposes of this section, the term "applicant" ~~shall include~~ includes every person who has any proprietary or profit interest of 10 percent or more in the licensed establishment, but shall not include any public corporation whose shares are traded on a recognized stock exchange.

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

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

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

(f) Any retailer may be granted licenses to maintain, operate, or conduct any number of places for the sale of alcoholic beverages, but a separate license must be secured for each place where alcoholic beverages are sold. No retail license issued under this title shall be used for more than one premises, nor for separate types of operation on the same premises. Provided, however, any such licensed retail



operation existing on May 14, 2009, and operating based on dual licenses, both a club or lounge license and a restaurant license, on the same premises shall be exempt from the requirement of the preceding sentence and may continue to operate under the dual licenses. Any rule adopted by the board relating to the requirements concerning dual licenses, both a club or lounge license and a restaurant license, shall not apply to any retail operation existing on May 14, 2009. The rules shall include, but not be limited to, the maintenance of separate books, separate entrances, and separate inventories. Each premises must have a separate retail license. Where more than one retail operation is located within the same building, each operation under a separate or different ownership is required to obtain a separate retail license; and where more than one type of retail operation located within the same building is operated by the same licensee, the licensee must have a license for each type of retail operation. Provided, there shall be no licenses issued by the board for the sale of liquor, beer, or wine by rolling stores.

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

(h) All beer, except draft or keg beer, sold by



729     retailers must be sold or dispensed in bottles, cans, or other  
730     containers not to exceed 25.4 ounces. All wine sold by  
731     retailers for off-premises consumption must be sold or  
732     dispensed in bottles or other containers in accordance with  
733     the standards of fill specified in the then effective  
734     standards of fill for wine prescribed by the U.S. Treasury  
735     Department.

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

756             (j) No importer shall sell alcoholic beverages to any



757 person other than a wholesaler licensee, or sell to a  
758 wholesaler licensee any brand or brands of alcoholic beverages  
759 for sale or distribution in this state, except where the  
760 importer has been granted written authorization from the  
761 manufacturer thereof to import and sell the brand or brands to  
762 be sold in this state, which authorization is on file with the  
763 board.

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

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

782 (m) Every applicant for a transfer of a license shall  
783 file a written application with the board within such time as  
784 the board shall fix in its rules. Whenever any license is



transferred, there shall be collected a filing fee of fifty dollars (\$50), to be paid to the board, and the board shall pay the fee into the State Treasury to the credit of the Beer Tax and License Fund of the board.

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

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

"§28-3A-1.5



813 (a) Definitions.

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

816 (1) NONPROFIT SPECIAL EVENTS RETAIL LICENSE. A license  
817 issued pursuant to subsection (b) for the sale of beer, wine,  
818 mixed spirit beverages, or liquor.

819 (2) QUALIFYING ORGANIZATION. A bona fide nonprofit  
820 organization operating in the state that satisfies all of the  
821 following requirements:

822 a. Operates without profit to the organization's  
823 members.

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

826 c. Satisfies at least one of the following  
827 requirements:

828 1. Has been continuously in existence in the state for  
829 a minimum of three years.

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

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

836 (b) Licensed authorized.

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



(c) Applications for nonprofit special events retail license.

(1) Applications for a nonprofit special events retail license shall be made with the board at least 25 calendar days prior to the event on forms provided by the board and shall be verified by oath or affirmation of an officer or director of the qualifying organization who is authorized to do so.

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

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

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

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

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

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

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

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

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



prescribe.

(d) Donated alcohol.

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

(e) Rulemaking authority.

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

"§28-3A-11

Upon applicant's compliance with the provisions of this chapter and the regulations made thereunder, the board ~~shall~~, where the application is accompanied by a certificate from the clerk or proper officer setting out that the applicant has presented his or her application to the governing authority of the municipality, if the licensed premises is to be located therein, and has obtained its consent and approval, shall issue a retail liquor license which will authorize the licensee to purchase liquor and wine from the board or as authorized by the board and to purchase table wine, mixed spirit beverages, and beer, including draft or keg beer in any county or municipality in which the sale thereof is permitted, from any wholesaler licensee of the board and to sell at retail liquor and wine, dispensed from containers of any size, mixed spirit beverages in containers not to exceed 16 ounces, and beer, including draft or keg beer in any county or municipality in which the sale thereof is permitted, to patrons. A lounge liquor licensee may permit dancing or provide other lawful entertainment on the licensed premises.





No person under 19 years of age shall be admitted on the premises of any lounge liquor licensee as a patron or employee, and it shall be unlawful for any such licensee to admit any minor to the premises as a patron or employee."

"§28-3A-12

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

"§28-3A-13

(a) Upon applicant's compliance with this chapter and the rules adopted thereunder, the board shall, where the



application is accompanied by a certificate from the clerk or proper officer setting out that the applicant has presented his or her application to the governing authority of the municipality, if the licensed premises is to be located therein, and has obtained its consent and approval issue a restaurant liquor license for a hotel, restaurant, civic center authority, or dinner theater which will authorize the licensee to purchase liquor and wine from the board or as authorized by the board and to purchase table wine, mixed spirit beverages, and beer, including draft or keg beer, in any county or municipality in which the sale thereof is permitted, from any wholesale licensee of the board and, in that part of the hotel, restaurant, club, or dinner theater set out in the license, to sell liquor and wine, dispensed from containers of any size, mixed spirit beverages in containers not to exceed 16 ounces, and beer, including draft or keg beer, in any county or municipality in which the sale thereof is permitted, to the patrons, guests, or members for on-premises consumption in any part of the civic center or in that part of the hotel, restaurant, or dinner theater habitually used for serving meals to patrons, guests, or members, or other public or private rooms of the building in accordance with this chapter and the rules adopted thereunder, and where a restaurant located in a hotel, but not operated by the owner of the hotel, is licensed to sell alcoholic beverages in the restaurant, it may also sell alcoholic beverages to guests in private rooms in the hotel.

(b) In accordance with Section 28-3A-13.1, a restaurant



953 retail liquor licensee licensed to sell beer, wine, mixed  
954 spirit beverages, or spirits for on-premises consumption may  
955 apply for and be issued a delivery service license that  
956 authorizes the licensee to deliver, along with the purchase of  
957 a meal, beer, wine, mixed spirit beverages, or spirits from  
958 the retailer's premises."

959 "§28-3A-17.2

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

969 (b) (1) Upon a food or beverage truck applicant's  
970 compliance with this chapter and any rules adopted thereunder,  
971 and upon presentation of the certificate described in  
972 subdivision (2), the board shall issue to the applicant a food  
973 or beverage truck license that will authorize the licensee to  
974 purchase liquor and wine from the board or, as authorized by  
975 the board, table wine, mixed spirit beverages, and beer,  
976 including draft or keg beer, from any wholesale licensee of  
977 the board and to sell alcoholic beverages for on-premises  
978 consumption to guests who may consume the beverages in open  
979 containers anywhere within an area designated by the municipal  
980 governing body within an established entertainment district,



provided the license is not prohibited by a valid ordinance or other ordinance in the valid exercise of police power by the governing body of the municipality in which the food or beverage truck is located.

(2) An applicant shall obtain from the municipality in which the food or beverage truck intends to operate a certificate setting out that the applicant has presented his or her application to the governing body of the municipality and the municipality approves of the issuance of the license for the food or beverage truck to sell alcoholic beverages.

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

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

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

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

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

(h) A food or beverage truck licensee may not serve or be authorized to serve any food or beverage within 150 feet of any entrance to any permanent restaurant or to any Alcoholic



1009 Beverage Control Board licensee.

1010 (i) The board, by rule, may require security cameras in  
1011 all licensed food or beverage trucks and may require a barrier  
1012 be placed as a boundary around the vicinity of the food or  
1013 beverage truck or group of food or beverage trucks within  
1014 which consumption of alcoholic beverages is permitted. The  
1015 board shall adopt additional reasonable rules to protect  
1016 public health and safety."

1017 "§28-3A-18

1018 Upon applicant's compliance with the provisions of this  
1019 chapter and the regulations made thereunder, the board shall  
1020 issue a retail common carrier liquor license for a railroad,  
1021 airline, bus line, ship line, vessel, or other common carrier  
1022 entity operating passenger vehicles with a passenger seating  
1023 capacity of at least 10 people, which will authorize the  
1024 licensee to sell, whenever operated in Alabama, alcoholic  
1025 beverages, liquor, mixed spirit beverages, wine, and beer,  
1026 including draft beer, to passengers for consumption while  
1027 aboard such licensee. No railroad, airline, bus line, ship  
1028 line, vessel, or common carrier entity shall sell alcoholic  
1029 beverages to passengers for consumption within this state  
1030 without first obtaining a retail common carrier liquor license  
1031 from the board.

1032 Sales within Alabama of alcoholic beverages by retail  
1033 common carrier liquor licensees shall be made in accordance  
1034 with and shall be subject to the provisions of this chapter  
1035 and regulations ~~promulgated~~ adopted thereunder."

1036 "§28-3A-19



1037           Upon applicant's compliance with the provisions of this  
1038 chapter and the regulations made thereunder, the board shall  
1039 issue a special retail license in wet counties for a state  
1040 park, racing commission, fair authority, airport authority, or  
1041 civic center authority, or the franchises or concessionaire of  
1042 such park, commission, or authority, and may, in its  
1043 discretion, issue a special retail license to any other valid, responsible  
1044 organization of good reputation for such period of  
1045 time not to exceed one year and upon such terms and conditions  
1046 as the board shall prescribe, which will authorize the  
1047 licensee to purchase, where the retail sale thereof is  
1048 authorized by the board, liquor and wine from the board or as  
1049 authorized by the board and table wine, mixed spirit  
1050 beverages, and beer from any wholesale licensee of the board  
1051 and to sell at retail and dispense such alcoholic beverages as  
1052 are authorized by the board at such locations authorized by  
1053 the board upon such terms and conditions as prescribed by the  
1054 board. Provided, however, no sale of alcoholic beverages shall  
1055 be permitted on any Sunday after the hour of 2:00 A.M."

1056           "§28-3A-19.1

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



the licensed premises is to be located within the county but outside the jurisdiction of a municipality, and that the applicant has obtained the consent and approval of the proper governing authority, issue an international motor speedway license for any international motor speedway in the state which marketed at least 60,000 tickets to at least two motor sport racing events at the speedway in 1994, 1995, and 1996. Notwithstanding the provisions of ~~subdivisions (20) and (21) of subsection (a) of Section 28-3A-25~~ Section 28-3A-25(a) (20) and (21), the international motor speedway license shall authorize the licensee to purchase liquor and wine from the board, or as authorized by the board, and to purchase table wine, mixed spirit beverages, and beer, in any county or municipality in which the sale thereof is permitted, from any wholesale licensee of the board and to sell liquor and wine, dispensed from containers of any size, mixed spirit beverages in containers not to exceed 16 ounces, and beer in any county or municipality in which the sale thereof is permitted, for on-premises consumption each day of the week, including Sundays, and to sell all of the aforementioned for off-premises consumption except on Sunday. Such sales shall be incidental to the primary purpose of recreation and athletics, and shall be confined to those buildings, facilities, and grounds which comprise the speedway.

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



1093               "§28-3A-20

1094               Upon applicant's compliance with this chapter and the  
1095 regulations made thereunder, and upon application made on a  
1096 form provided by the board at least 25 days in advance of the  
1097 event for which a license is granted, the board shall issue a  
1098 special events license for a valid, responsible organization  
1099 of good reputation, for a period not to exceed seven days, and  
1100 upon such terms and conditions as the board may prescribe. The  
1101 license shall authorize the licensee to purchase, where the  
1102 retail sale thereof is authorized by the board, liquor and  
1103 wine from the board or as authorized by the board and table  
1104 wine, mixed spirit beverages, and beer from any wholesale  
1105 licensee of the board and to sell at retail and dispense such  
1106 alcoholic beverages as are authorized by the board to the  
1107 patrons, guests, or members of the organization at such  
1108 locations or areas as shall be authorized by the board upon  
1109 such terms and conditions as prescribed by the board. No sale  
1110 of alcoholic beverages shall be permitted on any Sunday after  
1111 the hour of 2:00~~-A.M~~ a.m."

1112               Section 8. Chapter 8B, commencing with Section 28-8B-1,  
1113 is added to Title 28 of the Code of Alabama 1975, to read as  
1114 follows:

1115               §28-8B-1

1116               (a) The Legislature hereby finds and declares that this  
1117 chapter is enacted pursuant to the authority granted to the  
1118 state under the Twenty-First Amendment to the United States  
1119 Constitution, the powers reserved to the state under the Tenth  
1120 Amendment to the United States Constitution, and the inherent





1121 powers of the state under the Constitution of Alabama of 2022,  
1122 in order to regulate the traffic of alcoholic beverages and to  
1123 substitute the regulations and oversight established in this  
1124 act for the application of federal and state antitrust laws  
1125 that otherwise would apply to any potential anti-competitive  
1126 effects of this title. For the avoidance of doubt, the intent  
1127 of the Legislature is to maintain the uniform three-tier  
1128 system of control over the sale, purchase, taxation,  
1129 transportation, manufacture, consumption, and possession of  
1130 alcoholic beverages in the state to promote the health,  
1131 safety, and welfare of residents of this state by, among other  
1132 purposes, ensuring the state shall be able to register, audit,  
1133 inspect, seize, recall, and test alcoholic beverages shipped  
1134 into, distributed, and sold throughout this state; and this  
1135 expression of the policy and intent of the Legislature is  
1136 intended to satisfy the clear articulation test for state  
1137 action immunity as has been established by the United States  
1138 Supreme Court in *California Retail Liquor Dealers Assn. v.*  
1139 *Midcal Aluminum, Inc., et al.*

1140 (b) If any provision of this chapter, or its  
1141 application to any person or circumstance, is determined by a  
1142 court to be invalid or unconstitutional, that provision shall  
1143 be stricken and the remaining provisions shall be construed in  
1144 accordance with the intent of the Legislature to further limit  
1145 rather than expand commerce in alcoholic beverages, including  
1146 by prohibiting any commerce in alcoholic beverages not  
1147 expressly authorized, and to enhance strict regulatory control  
1148 over taxation, distribution, and sale of alcoholic beverages



1149 through the existing uniform system of regulation of alcoholic  
1150 beverages.

1151 §28-8B-2

1152 (a) This chapter applies only to mixed spirit beverages  
1153 and does not apply to regulation of beer or wine franchises.

1154 (b) Nothing in this chapter shall be deemed to repeal  
1155 or amend any existing beer or wine franchise laws. This  
1156 chapter is intended to address mixed spirit beverages, and to  
1157 leave in effect and unchanged any local or state franchise  
1158 laws existing on the effective date of this act.

1159 §28-8B-3

1160 (a) Each supplier of mixed spirit beverages licensed by  
1161 the board to sell its mixed spirit beverages within the State  
1162 of Alabama shall sell its mixed spirit beverages only through  
1163 wholesaler licensees of the board and shall grant in writing  
1164 to each of its wholesalers a distribution agreement which  
1165 contains the wholesaler's exclusive sales territory for the  
1166 distribution of the supplier's designated brand in accordance  
1167 with Chapter 8.

1168 (b) A licensed retailer may not purchase mixed spirit  
1169 beverages from any entity other than the licensed wholesaler  
1170 designated by the manufacturer of the mixed spirit beverages.

1171 §28-8B-4

1172 (a) For the purposes of this chapter, the following  
1173 terms have the following meanings:

1174 (1) DISTRIBUTION AGREEMENT. Any written and signed  
1175 agreement between a wholesaler and a supplier, whereby a  
1176 wholesaler is granted the right to purchase and sell a brand



1177 of mixed spirit beverages sold by a supplier.

1178 (2) FAIR MARKET VALUE. An amount equal to a multiple of  
1179 the wholesaler's gross profit on the wholesaler's sales of the  
1180 supplier's products in the 12-month period immediately  
1181 preceding the date of the notice of termination or nonrenewal  
1182 by supplier.

1183 (3) GOOD CAUSE. A material breach by the wholesaler of  
1184 an essential element in a distribution agreement with a  
1185 supplier which is uncured or which reoccurs three or more  
1186 times.

1187 (4) GROSS PROFIT. The wholesaler's selling price, net  
1188 of promotions, discounts, allowances, and freight, of the  
1189 products sold during such 12-month period, less the  
1190 wholesaler's cost to purchase the products from the supplier,  
1191 net of any discounts, promotions, and allowances from  
1192 supplier.

1193 (b) Upon a supplier's termination or nonrenewal of a  
1194 distribution agreement with a wholesaler, except where  
1195 termination or nonrenewal is for good cause, the supplier  
1196 shall pay the wholesaler reasonable compensation in an amount  
1197 equal to the fair market value of the wholesaler's business  
1198 attributable to the supplier's portfolio, including the value  
1199 of the distribution rights, current saleable inventory,  
1200 goodwill, and other relevant assets.

1201 (c) The supplier and wholesaler shall have 30 days  
1202 following receipt of the supplier's notice of termination or  
1203 nonrenewal to agree upon a multiple of gross profit in  
1204 determining fair market value. Following the notice of



1205 termination or nonrenewal, but prior to determination of the  
1206 fair market value of the supplier's portfolio, the supplier  
1207 and wholesaler shall each continue to operate in good faith in  
1208 the regular course of the business relationship.

1209 (d) (1) In determining fair market value, in the event  
1210 that supplier and wholesaler cannot agree upon the multiple of  
1211 gross profit after 30 days, the parties shall then have 10  
1212 business days to each, at their own cost, appoint an  
1213 independent third-party appraiser with demonstrable experience  
1214 in valuating alcoholic beverage distribution rights. Each  
1215 party's independent appraiser, within 30 days, shall submit in  
1216 writing the fair market value appraisal of the supplier's  
1217 portfolio, including disclosing the multiple of gross profit  
1218 used to arrive at the valuation.

1219 (2) If the independent appraisers' valuations of the  
1220 supplier's portfolio are within 10 percent of each other, the  
1221 fair market value shall be the average of the two valuations.

1222 (3) If the independent appraisers' valuations are not  
1223 within 10 percent of each other, a third independent appraiser  
1224 with experience in valuating alcoholic beverage distribution  
1225 rights shall be retained by mutual agreement of the parties  
1226 within 10 business days to assess the fair market value, and  
1227 the fair market value shall be submitted in writing by the  
1228 third independent appraiser within 30 days. The cost of the  
1229 third independent appraiser shall be shared equally by the  
1230 parties. The fair market value shall then be the average of:  
1231 (i) the third independent appraiser's valuation; and (ii) the  
1232 average of the first two valuations.



1233 (e) The supplier shall have no more than seven business  
1234 days after the determination of fair market value within which  
1235 to remit payment of reasonable compensation to the wholesaler.

1236 Section 9. If any provision of this act, or its  
1237 application to any person or circumstance, is determined by a  
1238 court to be invalid or unconstitutional, that provision shall  
1239 be stricken and the remaining provisions shall be construed in  
1240 accordance with the intent of the Legislature to further limit  
1241 rather than expand commerce in alcoholic beverages, including  
1242 by prohibiting any commerce in alcoholic beverages not  
1243 expressly authorized, and to enhance strict regulatory control  
1244 over taxation, distribution, and sale of alcoholic beverages  
1245 through the existing uniform system of regulation of alcoholic  
1246 beverages.

1247 Section 10. This act shall become effective on October  
1248 1, 2025.