

HB593 ENGROSSED



1 HB593
2 FKMP1D5-2
3 By Representative Whitt
4 RFD: Economic Development and Tourism
5 First Read: 10-Mar-26



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A BILL
TO BE ENTITLED
AN ACT

Relating to alcoholic beverages; to amend Sections 28-4A-1 through 28-4A-6, Code of Alabama 1975, and redesignate these sections as Article 1 of Chapter 4A of Title 28, Code of Alabama 1975; to add Sections 28-4A-7, 28-4A-8, 28-4A-9 to Article 1 of Chapter 4A of Title 28, Code of Alabama 1975; to add Articles 2, 3, and 4 to Chapter 4A of Title 28, Code of Alabama 1975; to create the Alabama Small Craft Alcoholic Beverages Act; to create new categories of licenses for small craft distilleries and small craft wineries and create a new license for small craft alcoholic beverage manufacturers that operate a brewpub, small craft winery, or small craft distillery or any combination of these; to provide for qualifications and license requirements; to permit a brewpub, small craft winery, or small craft distillery to allow tours of their manufacturing facilities; to provide for sales by a brewpub, small craft winery, or small craft distillery, at off-premises events open to the public; to provide that a brewpub, small craft winery, or small craft distillery, or any other alcoholic beverage manufacturer, may maintain a storage facility off the licensed manufacturing premises; to require



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29 the Alcoholic Beverage Control Board to administer and enforce
30 the act; and to amend Section 28-3A-13.1, Code of Alabama
31 1975, to make conforming changes.

32 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

33 Section 1. Sections 28-4A-1 through 28-4A-6, Code of
34 Alabama 1975, are designated as Article 1 of Chapter 4A of
35 Title 28 and are amended to read as follows:

36 Article 1. General Provisions; Small Craft Alcoholic
37 Beverage manufacturers.

38 "§28-4A-1

39 This chapter shall be known as and may be cited as the
40 "Alabama Brewpub Small Craft Alcoholic Beverages Act."

41 "§28-4A-2

42 (a) ~~The words and phrases terms used in this chapter~~
43 ~~shall have the meanings ascribed to them as defined in Section~~
44 ~~28-3-1, and any acts amendatory thereof, supplementary thereto~~
45 ~~or substituted therefor.~~

46 (b) ~~The~~ For purposes of this chapter, the following
47 ~~words or phrases, whenever they appear in this chapter, unless~~
48 ~~the context clearly indicates otherwise, shall have the~~
49 ~~meaning ascribed to them in this subsection~~ terms have the
50 following meanings:

51 (1) BREWPUB. Any premises upon which beer is actively
52 and continuously manufactured or brewed, subject to the barrel
53 production limitation prescribed in ~~this chapter~~ Article 2, for
54 consumption on the premises where manufactured, or for sale to
55 any designated wholesaler licensee for resale to retail
56 licensees.



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57 (2) HYBRID CRAFT ALCOHOLIC BEVERAGE COMPLEX. A campus
58 or area upon which a brewpub, a small craft distillery, and a
59 small craft winery, or any combination of these, operate under
60 one license issued by the board pursuant to this article.

61 ~~(2)~~(3) PREMISES. Any building, or structure, or portion
62 thereof, designated as a historic building and site as defined
63 in Section 40-8-1, or located in a registered historic
64 district or located in any economically distressed area
65 designated as suitable by the municipal or county governing
66 body, in which is located the operations of a brewpub, a small
67 craft distillery, or a small craft winery.

68 (4) SMALL CRAFT DISTILLERY. Any premises upon which
69 liquor is actively and continuously manufactured or distilled,
70 subject to the production volume limitation prescribed in
71 Article 3, for consumption on the premises where manufactured,
72 or for sale to the board or a liquor wholesaler licensee for
73 resale to retail licensees.

74 (5) SMALL CRAFT WINERY. Any premises upon which table
75 wine is actively and continuously manufactured, subject to the
76 production volume limitation prescribed in Article 4, for
77 consumption on the premises where manufactured, or for sale to
78 any designated wine wholesaler licensee for resale to retail
79 licensees."

80 "§28-4A-3

81 ~~(a) In addition to the licenses authorized to be issued~~
82 ~~and renewed by the board pursuant to the Alcoholic Beverage~~
83 ~~Licensing Code codified as Chapter 3A of this title, the~~
84 ~~board, upon applicant's compliance with this chapter, Chapter~~



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85 ~~3A, and the rules adopted thereunder, and the conditions set~~
86 ~~forth in subsection (b), may issue to a qualified applicant a~~
87 ~~brewpub license which shall authorize the licensee to do all~~
88 ~~of the following:~~

89 ~~(1) Manufacture or brew beer, in a quantity not to~~
90 ~~exceed 10,000 barrels in any one year, and to sell beer brewed~~
91 ~~on the licensed premises in unpackaged form at retail for~~
92 ~~on-premises consumption at the licensed premises only.~~

93 ~~(2) Sell beer brewed on the licensed premises in~~
94 ~~packaged form at retail for off-premises consumption, provided~~
95 ~~the beer sold for off-premises consumption may not exceed 864~~
96 ~~ounces per customer per day and shall be sealed, labeled,~~
97 ~~packaged, and taxed in accordance with state and federal laws~~
98 ~~and regulations.~~

99 ~~(3) Sell beer brewed on the premises in original,~~
100 ~~unopened barrel or keg containers to any licensed wholesaler~~
101 ~~designated by a brewpub licensee pursuant to Sections 28-8-2~~
102 ~~and 28-9-3 for resale to retail licensees.~~

103 ~~(4) Donate and deliver up to 31 gallons of the~~
104 ~~licensee's beer to a licensed charitable special event~~
105 ~~operated by or on behalf of a nonprofit organization;~~
106 ~~provided, however, donations shall be taxed in accordance with~~
107 ~~state and federal laws and regulations, and any beer remaining~~
108 ~~at the conclusion of the charitable event shall be returned to~~
109 ~~the brewpub for disposal.~~

110 ~~(5) Purchase beer, including draft or keg beer, in~~
111 ~~original, unopened containers from licensed wholesalers and to~~
112 ~~sell such beer at retail for on-premises consumption only, in~~



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113 ~~a room or rooms or place on the licensed premises at all times~~
114 ~~accessible to the use and accommodation of the general public.~~

115 ~~(b) A brewpub is subject to all of the following~~
116 ~~conditions:~~

117 ~~(1) The proposed location of the premises shall not, at~~
118 ~~the time of the original application, be prohibited by a valid~~
119 ~~zoning ordinance or other ordinance in the valid exercise of~~
120 ~~police power by the governing body of the municipality or~~
121 ~~county in which the brewpub is located.~~

122 ~~(2) Beer brewed by the brewpub licensee shall be~~
123 ~~packaged or contained in barrels from which the beer is to be~~
124 ~~dispensed only on the premises where brewed for consumption on~~
125 ~~the premises or sold in original, unopened barrel or keg~~
126 ~~containers to any designated wholesaler licensee for resale to~~
127 ~~retailer licensees.~~

128 ~~(3) The brewpub must contain and operate a restaurant~~
129 ~~or otherwise provide food for consumption on the premises.~~

130 ~~(4) The brewpub may not sell any alcoholic beverages if~~
131 ~~it is not actively and continuously engaged in the manufacture~~
132 ~~or brewing of alcoholic beverages on the brewpub's licensed~~
133 ~~premises.~~

134 ~~(c) The annual license fee levied and prescribed for a~~
135 ~~license as a brewpub issued or renewed by the board is one~~
136 ~~thousand dollars (\$1,000).~~

137 ~~(d) A manufacturer that sells, on an annual basis, an~~
138 ~~amount equal to no more than 60,000 barrels of beer, may have~~
139 ~~a financial interest in a brewpub, including a brewpub that~~
140 ~~also has a restaurant retail license, provided the~~



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141 ~~manufacturer may not transfer alcoholic beverages directly~~
142 ~~from the manufacturer to the brewpub, but may purchase~~
143 ~~alcoholic beverages from an authorized wholesaler or as~~
144 ~~otherwise provided by law, and may not have a financial~~
145 ~~interest in any retailer other than a brewpub.~~

146 ~~(c) Section 28-3-4 and subsection (b) of Section~~
147 ~~28-3A-6 shall not be applicable with regard to beer brewed by~~
148 ~~either of the following and sold and dispensed on the brewpub~~
149 ~~premises:~~

150 ~~(1) The brewpub.~~

151 ~~(2) A manufacturer described in, and in compliance~~
152 ~~with, subsection (d).~~

153 (a) In addition to the licenses provided for in
154 Articles 2 through 4, the board may issue a hybrid craft
155 alcoholic beverage complex license to any person licensed as a
156 brewpub, small craft distillery, or small craft winery, or who
157 meets the qualification for licensure as a brewpub, a small
158 craft distillery, or a small craft winery, and who meets the
159 qualifications in subsection (b). A hybrid craft alcoholic
160 beverage complex license shall authorize the licensee to
161 operate a brewpub, a small craft winery, or a small craft
162 distillery, or any combination of these.

163 (b) To qualify as a hybrid craft alcoholic beverage
164 complex:

165 (1) The applicant must meet the license qualifications
166 under Article 2, 3, or 4, as applicable, corresponding to the
167 type or types of alcoholic beverages the applicant intends to
168 manufacture; and



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169 (2) Each type of alcoholic beverage must be
170 manufactured on a separate premises, as determined, by rule,
171 by the board, but all the properties upon which the premises
172 are located must be contiguous and walkable.

173 (c) If the applicant already holds a valid, current
174 license under Article 2, 3, or 4 when making application for a
175 license under this section, the board may convert the existing
176 license into a hybrid craft alcoholic beverage complex
177 license.

178 (d) (1) The annual license fee levied and prescribed for
179 a license as a hybrid craft alcoholic beverage complex issued
180 or renewed by the board is two thousand dollars (\$2,000).

181 (2) Notwithstanding subdivision (1), if the board
182 converts an existing license into a hybrid craft alcoholic
183 beverage complex license, the initial license fee shall be one
184 thousand dollars (\$1,000) and each annual renewal fee shall be
185 as provided in subdivision (1)."

186 "§28-4A-4

187 ~~(a) In addition to the licenses provided for by this~~
188 ~~chapter and any county or municipal license, there is levied~~
189 ~~on the brewpub for on-premises sales of beer brewed by the~~
190 ~~brewpub licensee the privilege or excise taxes imposed by~~
191 ~~Sections 28-3-184 and 28-3-190. Every brewpub licensee shall~~
192 ~~file the tax returns, pay the taxes, and perform all~~
193 ~~obligations imposed on wholesalers at the times and places set~~
194 ~~forth therein. It shall be unlawful for any brewpub licensee~~
195 ~~who is required to pay the taxes so imposed in the first~~
196 ~~instance to fail or refuse to add to the sales price and~~



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197 ~~collect from the purchaser the required amount of tax, it~~
198 ~~being the intent and purpose of this provision that each of~~
199 ~~the taxes levied is in fact a tax on the consumer, with the~~
200 ~~brewpub licensee who pays the tax in the first instance acting~~
201 ~~merely as an agent of the state for the collection and payment~~
202 ~~of the tax levied by Section 28-3-184 and as an agent of the~~
203 ~~county or municipality for the collection and payment of the~~
204 ~~tax levied by Section 28-3-190. Taxes on beer shall be levied~~
205 ~~at the time the beer is allocated for the purpose of retail~~
206 ~~sale and not at the time the beer is dispensed for~~
207 ~~consumption.~~

208 ~~(b) The brewpub shall be required to keep and maintain~~
209 ~~all of the records otherwise required to be kept and~~
210 ~~maintained by manufacturer, wholesaler, and retailer~~
211 ~~licensees.~~

212 ~~(c) The brewpub shall appoint a licensed wholesaler~~
213 ~~designee in order to preserve Section 28-9-1. In addition, for~~
214 ~~on-premises sales of beer brewed by the brewpub licensee, the~~
215 ~~brewpub shall be exempt from Sections 28-9-3 through 28-9-11.~~

216 The board may adopt rules to administer and enforce
217 this chapter."

218 "§28-4A-5

219 ~~A violation of any provision of this chapter shall~~
220 ~~constitute an unlawful act. A finding by the board that the~~
221 The board shall revoke the license of a brewpub, licensee is
222 guilty of violating any provision of a small craft distillery,
223 a small craft winery, or a hybrid craft alcoholic beverage
224 complex if the board makes a finding that the licensee



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225 violated this chapter ~~shall effect an automatic revocation of~~
226 ~~the license."~~

227 "§28-4A-6

228 The Legislature finds that it is in the best interest
229 of the public welfare of the State of Alabama to preserve and
230 redevelop the downtown municipal areas and registered historic
231 districts and certain economically distressed areas of this
232 state and to further promote the preservation and
233 redevelopment of historic buildings and sites. The Legislature
234 finds that an effective way of facilitating the urban
235 redevelopment program and the preservation of historic
236 buildings and sites, and registered historic districts and any
237 economically distressed area designated as suitable by the
238 municipal or county governing body is by creating a single
239 exception to the existing alcoholic beverage laws to authorize
240 and permit the establishment of brewpubs, small craft
241 wineries, and small craft distilleries located in such
242 historic buildings, sites, or districts in urban redevelopment
243 areas or economically distressed areas of those municipalities
244 ~~located within counties where the brewing of beer for~~
245 ~~consumption by the public had historically been located~~ or
246 counties. The policy and intent of the Legislature in the
247 enactment of this chapter is to promote the public welfare by
248 further regulating and controlling alcoholic beverage
249 transactions in Alabama under the control and supervision of
250 the Alabama Alcoholic Beverage Control Board to accomplish
251 this legislative purpose ~~set forth herein."~~

252 Section 2. Sections 28-4A-7, 28-4A-8, and 28-4A-9 are



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253 added to Article 1 of Chapter 4A of Title 28, Code of Alabama
254 1975, to read as follows:

255 §28-4A-7

256 (a) A license issued under this article, or under
257 Article 2, 3, or 4, authorizes the licensee to afford patrons
258 the opportunity to participate in a guided tour of the
259 distillery, brewery, or winery manufacturer operations as
260 applicable, if the tour includes an educational component in
261 which an in-person guide informs patrons about the historic
262 and scientific characteristics of the alcoholic beverage
263 manufactured on the licensed premises.

264 (b) A licensee may offer a tasting or sampling of the
265 alcoholic beverage manufactured on the licensed premises upon
266 conclusion of the tour in accordance with all of the following
267 requirements:

268 (1) A tasting session shall be in a designated,
269 enclosed area that is separate from all other designated areas
270 on the licensed premises.

271 (2) A patron may tour the manufacturing operation of
272 more than one type of alcoholic beverage manufactured by the
273 licensee, but may participate in no more than one tasting
274 session per day.

275 (3) The price of the tasting or sampling must be
276 included in the price charged to patrons over 21 years of age
277 for the guided tour.

278 (4) No retail sale of an alcoholic beverage, whether
279 for on-premises or off-premises consumption, shall be
280 authorized pursuant to a tour.



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281 (5) Each session shall be limited to no more than two
282 tastings or samplings, each of which:

283 a. In the case of liquor, shall not exceed one-half
284 ounce, with or without a nonalcoholic mixer;

285 b. In the case of beer, shall not exceed four ounces;
286 and

287 c. In the case of table wine, shall not exceed one and
288 one-half ounce.

289 §28-4A-8

290 (a) For purposes of this section, a "public event" is
291 any event sponsored by a private or nonprofit organization
292 lasting no longer than three consecutive days, to which the
293 public is invited, whether free or upon payment for admission,
294 including, but not limited to, a farmers market, music
295 festival, art festival, or other exhibition to which vendors
296 may be invited to display and sell their products.

297 (b) (1) Upon application to the board upon a form
298 prescribed by the board, at least 20 days in advance of the
299 event and accompanied by a nonrefundable fee not to exceed one
300 hundred fifty dollars (\$150), the board may issue a tasting
301 room extension license to an applicant that is licensed under
302 this chapter.

303 (2) A tasting room extension license issued to a
304 licensee under this chapter authorizes the recipient to do all
305 of the following with respect to an alcoholic beverage
306 manufactured on the recipient's premises at a public event:

307 a. Dispense samples of the alcoholic beverage to event
308 attendees from an original container, of no more than one-half



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309 ounce in the case of liquor, four ounces in the case of beer,
310 and one and one-half ounces in the case of table wine.

311 b. Sell the alcoholic beverage at retail, packaged for
312 consumption off the event site in accordance with state and
313 federal laws and regulations, including, but not limited to,
314 federal regulations related to standard of fill:

315 1. For liquor, in bottles not to exceed a total of 4.5
316 liters per customer per day;

317 2. For beer, in bottles or cans not to exceed a total
318 of 864 ounces per customer per day; or

319 3. For table wine, a total not to exceed twelve
320 750-milliliter bottles per customer per day.

321 (c) A tasting room extension licensee may not sell any
322 alcoholic beverage to retailers or sell alcoholic beverages
323 that the licensee does not manufacture.

324 (d) A tasting room extension licensee who is licensed
325 pursuant to this article may only dispense samples or sell for
326 consumption pursuant to subsection (b), one type of alcoholic
327 beverage which it manufactures.

328 (e) The board may issue a tasting room extension
329 license upon submission by the applicant of the following:

330 (1) Proof of compliance with any municipal or county
331 license or permit requirement.

332 (2) Proof of registration, including payment of a booth
333 fee as acknowledged by the event sponsor, to include defining
334 the area under each applicant's exclusive control.

335 (3) Proof of liquor liability insurance, including a
336 written statement from the applicant's liquor liability



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337 insurer that the applicant's existing policy covers the
338 activities of the applicant at the public event.

339 (f) Any licensee under this chapter shall be limited to
340 no more than 12 tasting room extension licenses per calendar
341 year.

342 (g) (1) A tasting room extension licensee shall collect
343 and remit all state and local sales and use taxes and all
344 excise and other taxes due, pursuant to Article 2, 3, or 4 as
345 applicable, on the sale of the alcoholic beverage by the
346 participant licensee to customers at retail.

347 (2) Notwithstanding subdivision (1), a tasting room
348 extension licensee that also sells an alcoholic beverage at
349 retail, in a method and manner established by the Department
350 of Revenue, may include the collection and remittance of all
351 state taxes due on the sale of the alcoholic beverage sold at
352 the public event in the same method and manner as other sales
353 of the same alcoholic beverage at retail.

354 (h) The board is authorized to adopt rules and
355 prescribe forms to implement and enforce this section.

356 §28-4A-9

357 (a) For purposes of this section, a "licensed
358 manufacturer" includes a manufacturer who is licensed pursuant
359 to this chapter or Section 28-3A-6.

360 (b) Upon approval of the board, a licensed manufacturer
361 may be allowed one off-premises manufacturer extension
362 location for the exclusive storage of finished and unfinished
363 goods pursuant to the requirements of subsection (c).

364 (c) An application for approval of an off-premises



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365 manufacturer extension location shall include:

366 (1) Documentation of approval of the manufacturer
367 extension by the Alcohol and Tobacco Tax and Trade Bureau;

368 (2) A lease, deed, or other document showing control of
369 the property by the licensed manufacturer; and

370 (3) A current license issued by the board.

371 (d) The application for an off-premises manufacturing
372 extension must be approved by the board before it is put into
373 use by the manufacturer licensee.

374 (e) An off-premises manufacturing extension is subject
375 to all of the following conditions:

376 (1) The extension may not be located outside of the
377 state.

378 (2) The extension may not be used for the exportation
379 of products nor for any form of distribution of products
380 within the state.

381 (3) The extension may not be located more than 10 miles
382 from the licensed manufacturer's premises.

383 (4) No sales, sampling, or tastings of any alcoholic
384 beverage shall be allowed at the extension.

385 (5) The extension premises shall be secured at all
386 times.

387 (f) Authorized representatives of the board or law
388 enforcement officers of the state, or the county or
389 municipality in which the manufacturer extension premises is
390 located, may enter and search, without a warrant, the
391 extension premises. The extension premises encompasses any
392 building owned or occupied by the licensee that adjoins, is



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393 adjacent to, or is otherwise part of the curtilage of the
394 premises, including a building used as a private dwelling.

395 (g) The licensed manufacturer shall maintain all
396 records related to the disposition of the finished or
397 unfinished goods stored in the off-premises extension, as
398 applicable.

399 (h) The finished and unfinished goods may be
400 transported in bond from the licensed manufacturer's original
401 premises to the extension location for storage. Transportation
402 shall be made by the licensee or an employee of the same in a
403 vehicle bearing signage on each side identifying the licensee.
404 Included in the transportation vehicle shall be a current copy
405 of the board's approval of the extension and the bill of
406 lading or other documentation of ownership of the product
407 being transported.

408 Section 3. A new Article 2, commencing with Section
409 28-4A-20; Article 3, commencing with Section 28-4A-40; and
410 Article 4, commencing with Section 28-4A-60, are added to
411 Chapter 4A of Title 28, Code of Alabama 1975, to read as
412 follows:

413 Article 2. Brewpubs.

414 §28-4A-20

415 (a) In addition to the licenses authorized to be issued
416 and renewed by the board pursuant to Chapter 3A, the board,
417 upon the applicant's compliance with this article, Chapter 3A,
418 and the rules adopted thereunder, and the conditions set forth
419 in subsection (b), may issue to a qualified applicant a
420 brewpub license that shall authorize the licensee to do all of



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421 the following:

422 (1) Manufacture or brew beer, in a quantity not to
423 exceed 10,000 barrels in any one year, and sell beer brewed on
424 the licensed premises in unpackaged form at retail for
425 on-premises consumption at the licensed premises only.

426 (2) Sell beer brewed on the licensed premises in
427 packaged form at retail for off-premises consumption, provided
428 the beer sold for off-premises consumption may not exceed 864
429 ounces per customer per day and shall be sealed, labeled,
430 packaged, and taxed in accordance with state and federal laws,
431 rules, and regulations.

432 (3) Sell beer brewed on the premises in original,
433 unopened barrel or keg containers or in other original,
434 unopened containers to any licensed beer wholesaler designated
435 by a brewpub licensee pursuant to Sections 28-8-2 and 28-9-3
436 for resale to retail licensees.

437 (4) Donate and deliver up to 31 gallons of the
438 licensee's beer to a licensed charitable special event
439 operated by or on behalf of a nonprofit organization.
440 Donations shall be taxed in accordance with state and federal
441 laws, rules, and regulations, and any beer remaining at the
442 conclusion of the charitable event shall be returned to the
443 brewpub for disposal.

444 (5) Purchase beer, including draft or keg beer, in
445 original, unopened containers from licensed wholesalers and
446 sell the beer at retail, for on-premises consumption only, in
447 a room or rooms or place on the licensed premises at all times
448 accessible to the use and accommodation of the general public.



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449 (b) A brewpub is subject to all of the following
450 conditions:

451 (1) The proposed location of the premises, at the time
452 of the original application, shall not be prohibited by a
453 valid zoning ordinance or other ordinance in the valid
454 exercise of police power by the governing body of the
455 municipality or county in which the brewpub is located.

456 (2) Beer brewed by the brewpub licensee shall be
457 packaged or contained in barrels from which the beer is to be
458 dispensed only on the premises where brewed for consumption on
459 the premises, or sold in original, unopened barrel or keg
460 containers or in packaged form to any designated wholesaler
461 licensee for resale to retailer licensees.

462 (3) A brewpub must contain and operate a restaurant or
463 otherwise provide food for consumption on the premises.

464 (4) A brewpub may not sell any alcoholic beverages if
465 the brewpub is not actively and continuously engaged in the
466 manufacture or brewing of beer on the brewpub's licensed
467 premises.

468 (c) The annual license fee levied and prescribed for a
469 license as a brewpub issued or renewed by the board is one
470 thousand dollars (\$1,000).

471 (d) A manufacturer that sells, on an annual basis, an
472 amount equal to no more than 60,000 barrels of beer, may have
473 a financial interest in a brewpub, including a brewpub that
474 also has a restaurant retail license, provided the
475 manufacturer may not transfer alcoholic beverages directly
476 from the manufacturer to the brewpub, but may purchase



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477 alcoholic beverages from an authorized wholesaler or as
478 otherwise provided by law, and may not have a financial
479 interest in any retailer other than a brewpub.

480 (e) Sections 28-3-4 and 28-3A-6(b) shall not be
481 applicable with regard to beer brewed by either of the
482 following and sold and dispensed on the brewpub premises:

483 (1) The brewpub.

484 (2) A manufacturer described in, and in compliance
485 with, subsection (d).

486 §28-4A-21

487 (a) In addition to the licenses provided for by this
488 chapter and any county or municipal license, there is levied
489 on the brewpub licensee for on-premises sales of beer brewed
490 by the brewpub licensee the privilege or excise taxes imposed
491 by Sections 28-3-184 and 28-3-190. Every brewpub licensee
492 shall file the tax returns, pay the taxes, and perform all
493 obligations imposed on wholesalers at the times and places set
494 forth therein. It shall be unlawful for any brewpub licensee
495 who is required to pay the taxes so imposed in the first
496 instance to fail or refuse to add to the sales price and
497 collect from the purchaser the required amount of tax, it
498 being the intent and purpose of this provision that each of
499 the taxes levied is in fact a tax on the consumer, with the
500 brewpub licensee who pays the tax in the first instance acting
501 merely as an agent of the state for the collection and payment
502 of the tax levied by Section 28-3-184 and as an agent of the
503 county or municipality for the collection and payment of the
504 tax levied by Section 28-3-190. Taxes on beer shall be levied



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505 at the time the beer is allocated for the purpose of retail
506 sale and not at the time the beer is dispensed for
507 consumption.

508 (b) The brewpub shall keep and maintain all of the
509 records otherwise required to be kept and maintained by
510 manufacturer, wholesaler, and retailer licensees.

511 (c) The brewpub shall appoint a licensed wholesaler
512 designee in order to preserve Section 28-9-1. In addition, for
513 on-premises sales of beer brewed by the brewpub licensee, the
514 brewpub shall be exempt from Sections 28-9-3 through 28-9-11.

515 Article 3. Small Craft Distilleries.

516 §28-4A-40

517 (a) In addition to the licenses authorized to be issued
518 and renewed by the board pursuant to Chapter 3A, the board,
519 upon the applicant's compliance with this article, Chapter 3A,
520 and the rules adopted thereunder, and the conditions set forth
521 in subsection (b), may issue to a qualified applicant a small
522 craft distillery license which shall authorize the licensee to
523 do all of the following:

524 (1) Distill liquor, in a quantity not to exceed 50,000
525 gallons in any one year, and sell liquor distilled on the
526 licensed premises in unpackaged form at retail for on-premises
527 consumption at the licensed premises only.

528 (2) Sell liquor distilled on the licensed premises in
529 original, unopened containers at retail for off-premises
530 consumption, provided the liquor sold for off-premises
531 consumption may not exceed 4.5 liters per customer per day and
532 shall be sealed, labeled, packaged, and taxed in accordance



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533 with state and federal laws, rules, and regulations.

534 (3) Sell liquor distilled on the premises in original,
535 unopened containers to the board or as authorized by the
536 board.

537 (4) Donate and deliver up to 4.5 liters of the
538 licensee's liquor to a licensed charitable special event
539 operated by or on behalf of a nonprofit organization.
540 Donations shall be taxed in accordance with state and federal
541 laws, rules, and regulations. Any liquor remaining at the
542 conclusion of the charitable event shall be returned to the
543 small craft distillery for disposal.

544 (5) Purchase liquor in original, unopened containers
545 from the board or as authorized by the board and sell the
546 liquor at retail, for on-premises consumption only, in a room
547 or rooms or place on the licensed premises at all times
548 accessible to the use and accommodation of the general public
549 and limited to individuals 21 years of age and older.

550 (b) A small craft distillery is subject to all of the
551 following conditions:

552 (1) The proposed location of the premises, at the time
553 of the original application, shall not be prohibited by a
554 valid zoning ordinance or other ordinance in the valid
555 exercise of police power by the governing body of the
556 municipality or county in which the small craft distillery is
557 located.

558 (2) Liquor distilled by the licensee shall be packaged
559 and sold in any original or unopened containers as approved by
560 the board and in accordance with the standards of fill



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561 requirements prescribed by the U.S. Department of the Treasury
562 or contained in barrels or kegs from which the liquor is to be
563 dispensed only on the premises where distilled for consumption
564 on the premises.

565 (3) A small craft distillery may not sell any liquor if
566 the small craft distillery is not actively and continuously
567 engaged in the distilling of liquor on the licensed premises.

568 (c) The annual license fee levied and prescribed for a
569 license as a small craft distillery issued or renewed by the
570 board is one thousand dollars (\$1,000).

571 (d) Sections 28-3-4 and 28-3A-6(b) shall not be
572 applicable with regard to liquor distilled by the small craft
573 distillery and sold and dispensed on the licensed premises.

574 §28-4A-41

575 (a) (1) In addition to the licenses provided for by this
576 chapter and any county or municipal license, there is levied
577 and assessed upon all liquor distilled on the premises of a
578 licensee which is dispensed or sold at retail for on-premises
579 or off-premises consumption the mark up in accordance with
580 Section 28-3-53.2(c) and added to the list or FOB price; and
581 the privilege or excise tax imposed on liquor by Sections
582 28-3-200 through 28-3-205. Taxes and mark up described in this
583 subsection shall be remitted by the licensee to the board. The
584 taxes collected shall be distributed in the same manner as the
585 taxes collected in a state liquor store.

586 (2) The tax levied in this subsection shall be
587 collected by a return which shall be filed by the licensee
588 with the board postmarked not later than the last day of the



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589 month following the month of production or sale of liquor,
590 which shall be accompanied by the remittance of the tax due.
591 The report shall include, but not be limited to, a
592 consolidated report of all liquor distilled, sold, or
593 otherwise consumed on the licensed premises. The report shall
594 be in the form and containing information as the board may
595 prescribe.

596 (3) If a licensee fails to file any return required to
597 be filed with the board on or before the date prescribed in
598 subdivision (2), including any written extension of time
599 granted by the board in advance, there shall be assessed as a
600 penalty the greater of 10 percent of any additional tax
601 required to be paid with the return or fifty dollars (\$50).

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

608 (5) Interest shall be added to any tax due to the board
609 which is not paid by the due date, from the due date of the
610 tax, computed based on the underpayment rate established by
611 the Secretary of the Treasury under the authority of 26 U.S.C.
612 § 6621.

613 (b) A small craft distillery shall be required to keep
614 and maintain all of the records otherwise required to be kept
615 and maintained by manufacturer, wholesaler, and retailer
616 licensees.



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617 Article 4. Small Craft Wineries.

618 §28-4A-60

619 (a) In addition to the licenses authorized to be issued
620 and renewed by the board pursuant to Chapter 3A, the board,
621 upon the applicant's compliance with this article, Chapter 3A,
622 and the rules adopted thereunder, and the conditions set forth
623 in subsection (b), may issue to a qualified applicant a small
624 craft winery license which shall authorize the licensee to do
625 all of the following:

626 (1) Manufacture or produce table wine, in a quantity
627 not to exceed 50,000 gallons in any one year, and sell wine
628 manufactured on the licensed premises at retail for
629 on-premises consumption at the licensed premises only.

630 (2) Sell table wine manufactured on the licensed
631 premises in original, unopened containers at retail for
632 off-premises consumption, provided the wine sold for
633 off-premises consumption may not exceed twelve 750-milliliter
634 bottles per customer per day and shall be sealed, labeled,
635 packaged, and taxed in accordance with state and federal laws,
636 rules, and regulations.

637 (3) Sell table wine manufactured on the premises in
638 original, unopened containers to any licensed wine wholesaler
639 designated by a small craft winery licensee pursuant to
640 Section 28-8A-4 for resale to retail licensees.

641 (4) Donate and deliver up to two cases of the
642 licensee's table wine to a licensed charitable special event
643 operated by or on behalf of a nonprofit organization.
644 Donations shall be taxed in accordance with state and federal



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645 laws, rules, and regulations. Any wine remaining at the
646 conclusion of the charitable event shall be returned to the
647 small craft winery for disposal.

648 (5) Purchase table wine in original, unopened
649 containers from licensed wine wholesalers and sell the wine at
650 retail for on-premises consumption only, in a room or rooms or
651 place on the licensed premises at all times accessible to the
652 use and accommodation of the general public.

653 (b) A small craft winery is subject to all of the
654 following conditions:

655 (1) The proposed location of the premises, at the time
656 of the original application, shall not be prohibited by a
657 valid zoning ordinance or other ordinance in the valid
658 exercise of police power by the governing body of the
659 municipality or county in which the small craft distillery is
660 located.

661 (2) Wine manufactured by the licensee shall be packaged
662 and sold in any original containers as approved by the board
663 and in accordance with the standards of fill requirements
664 prescribed by the U.S. Department of the Treasury or contained
665 in bottles to be dispensed only on the premises where
666 fermented for consumption on the premises.

667 (3) A small craft winery may not sell any table wine if
668 the small craft winery is not actively and continuously
669 engaged in the production of table wine on the licensed
670 premises.

671 (c) The annual license fee levied and prescribed for a
672 license as a small craft winery issued or renewed by the board



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673 is one thousand dollars (\$1,000).

674 (d) Sections 28-3-4 and 28-3A-6(b) shall not be
675 applicable with regard to wine manufactured by the small craft
676 winery and sold and dispensed on the licensed premises.

677 §28-4A-61

678 (a) In addition to the licenses provided for by this
679 chapter and any county or municipal license, there is levied
680 on a small craft winery for on-premises and off-premises sales
681 of table wine manufactured by the licensee privilege and
682 excise tax pursuant to Section 28-7-16 due on the sale of
683 table wine to consumers. Every small craft winery licensee
684 shall file the tax returns, pay the taxes, and perform all
685 obligations imposed on wholesalers at the times and places set
686 forth therein. It shall be unlawful for any small craft winery
687 licensee who is required to pay the taxes so imposed in the
688 first instance to fail or refuse to add to the sales price and
689 collect from the purchaser the required amount of tax, it
690 being the intent and purpose of this provision that each of
691 the taxes levied is in fact a tax on the consumer, with the
692 small craft winery licensee who pays the tax in the first
693 instance acting merely as an agent of the state for the
694 collection and payment of the tax.

695 (b) A small craft winery shall be required to keep and
696 maintain all of the records otherwise required to be kept and
697 maintained by manufacturer, wholesaler, and retailer
698 licensees.

699 (c) A small craft winery shall appoint a licensed
700 wholesaler designee pursuant to Section 28-8A-4 for any table



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701 wine designated for resale to retail licensees.

702 Section 4. Section 28-3A-13.1, Code of Alabama 1975, is
703 amended to make conforming changes to read as follows:

704 "§28-3A-13.1

705 (a) Any entity licensed by the board for off-premises
706 consumption, restaurant licensee of the board, or valid and
707 responsible organization of good reputation that is registered
708 to do business in the state may apply for and be issued a
709 delivery service license. In order to receive a license, an
710 applicant shall do all of the following:

711 (1) File an application with the board.

712 (2) Pay a ~~non-refundable~~ nonrefundable filing fee of
713 one hundred dollars (\$100), and a license fee of two hundred
714 fifty dollars (\$250).

715 (3) Provide to the board a sample contract that the
716 applicant intends to enter into with a retailer for the
717 delivery of beer, wine, and spirits, unless the applicant is
718 the retailer.

719 (4)a. Provide to the board both of the following:

720 1. An attestation that the applicant is 21 years of age
721 or older.

722 2. A true, correct, and complete criminal court record
723 of all arrests and subsequent dispositions for the past three
724 years. If the applicant has been convicted of a felony or a
725 misdemeanor for a violation of Section 28-3A-25(a)(3), then
726 the board shall reject the application and shall not issue a
727 license.

728 b. This subdivision shall not apply to publicly traded



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729 companies.

730 (5)a. For an applicant with four or more delivery
731 drivers, whether those drivers are employees or independent
732 contractors, provide proof of a general liability insurance
733 policy in an amount no less than five million dollars
734 (\$5,000,000) per occurrence.

735 b. For an applicant with three or fewer delivery
736 drivers, whether those delivery drivers are employees or
737 independent contractors, provide proof of a general liability
738 insurance policy in an amount no less than two million dollars
739 (\$2,000,000) per occurrence.

740 (6) Provide to the board an outline for an internal or
741 external training and certification program for delivery
742 personnel which addresses topics such as identifying underage
743 individuals, intoxicated individuals, and fake or altered
744 identification.

745 (b) A delivery service licensee may deliver, or
746 contract with any retailer in the state for the delivery of,
747 beer, wine, or spirits from a retail premises to an individual
748 in the state who is at least 21 years of age, for personal use
749 by that individual only, and not for resale, subject to all of
750 the following:

751 (1) The individual placing the order must receive the
752 ordered alcoholic beverages on the same calendar day that the
753 alcoholic beverages are removed from the licensed retail
754 premises.

755 (2) Any delivery shall be made in vehicles that are
756 owned or leased by the delivery service licensee or an



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757 employee or independent contractor of the licensee.

758 (3) Any beer, wine, or spirits shall be delivered in a
759 sealed unopened container.

760 (4) If the delivery service licensee is a restaurant,
761 then any beer, wine, or spirits delivered by the licensee must
762 be accompanied by a meal.

763 (5) If the delivery service licensee is a manufacturer
764 or brewpub with off-premises retail privileges under Sections
765 28-3A-6, 28-4A-3, 28-4A-20, 28-4A-40, 28-4A-60, or 28-7-18,
766 the manufacturer or brewpub may deliver, directly from the
767 manufacturer or brewpub to any individual in any single
768 24-hour period, an amount not to exceed the amount that the
769 manufacturer or brewpub is authorized to sell to each customer
770 each day under Sections 28-3A-6 or 28-4A-3.

771 (6)a.1. Beer, with the exception of draft beer, may be
772 delivered in any size container, provided that the total
773 amount delivered does not exceed the equivalent of 120
774 12-ounce containers of beer per customer in any single 24-hour
775 period.

776 2. Draft beer may be sold in accordance with board
777 rules in a total amount not to exceed 288 ounces per customer
778 in any single 24-hour period, and may be delivered only where
779 delivery has been authorized by resolution or ordinance of the
780 local governing jurisdiction.

781 b. Wine may be sold in any size container, provided
782 ~~that~~ the total amount delivered does not exceed 9,000
783 milliliters or the equivalent of ~~12~~twelve 750-milliliter
784 bottles of wine per customer in any single 24-hour period.



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785 c. Spirits may be sold in any size bottle by an
786 off-premises licensee~~+~~l, provided~~+~~l, the total amount delivered
787 does not exceed 9,000 milliliters per customer in any single
788 24-hour period.

789 d. Spirits may be sold in any size bottle by a
790 restaurant licensee~~+~~l, provided~~+~~l, the total amount delivered
791 does not exceed 375 milliliters per customer in any single
792 24-hour period.

793 (7) Any employee or independent contractor delivering
794 beer, wine, or spirits shall comply with all of the following:

795 a. Is at least 21 years of age.

796 b. Has a valid ~~driver's~~driver license.

797 c. Has, within the last 24 months, undergone a criminal
798 history background check that includes driving records, and
799 the results of which comply with all of the following:

800 1. The individual has not been convicted within the
801 past seven years of driving under the influence.

802 2. The individual has not been convicted, at any time,
803 of a crime involving a sexual offense, fraud, property damage,
804 theft, an act of violence, or an act of terror.

805 3. The individual does not have a match on the National
806 Sex Offender Registry.

807 d. Does not receive compensation based on whether an
808 attempted delivery of beer, wine, or spirits results in a
809 completed transaction.

810 e. Is trained and certified consistent with the
811 training program submitted to the board as required by
812 subdivision (a) (6), with documentation on file with the



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813 delivery service licensee. Upon request, the licensee shall
814 provide this documentation to the board.

815 (8) A delivery service licensee may facilitate orders
816 for the sale and delivery of beer, wine, or spirits by
817 telephone, Internet, or by other electronic means~~+~~, provided~~+~~,
818 all of the following occur:

819 a. The delivery service licensee shall obtain from the
820 customer a confirmation that he or she is at least 21 years of
821 age at the time the order is placed.

822 b. The delivery service licensee shall ensure all
823 payments have been processed for delivery prior to removing
824 the alcoholic beverages from the licensed premises.

825 c. If the delivery service licensee is a retail
826 licensee, any order for sale and delivery of beer, wine, or
827 spirits received at the licensee's primary place of business
828 or through a ~~third party~~ third-party licensee or facilitator
829 shall be construed as a sale made at the licensee's primary
830 place of business.

831 (9) Any delivery in a sealed package shall be stamped,
832 printed, or labeled in a manner approved by the board, and
833 that stamp, print, or label shall be prominently displayed on
834 the outside of the sealed package to indicate in readily
835 apparent font or type that the package contains alcohol and
836 that the signature of an individual at least 21 years of age
837 is required for delivery.

838 (10) A delivery service licensee shall require each
839 recipient, at the time of delivery, to provide valid photo
840 identification that conforms to board rules and that verifies



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841 that he or she is at least 21 years of age, and shall require
842 the recipient to sign for the delivery.

843 (11) A delivery service licensee shall possess
844 identification scanning software technology, or a
845 state-of-the-art alternative approved by the board, available
846 at the point of delivery that verifies the recipient is at
847 least 21 years of age and retains the recipient's name, date
848 of birth, and signature.

849 (12) A delivery service licensee shall provide each
850 employee or independent contractor making a delivery with
851 either a printed copy of the delivery service license or an
852 electronic copy indicating the delivery service ~~license's~~
853 licensee's name and number, which shall be available for
854 inspection upon request from the board or any law enforcement
855 officer.

856 (13) A delivery service licensee shall return any beer,
857 wine, or spirits to the retailer if the recipient is under ~~the~~
858 age of 21 years of age; appears intoxicated; fails to provide
859 proof of identification; fails or refuses to sign for
860 delivery; fails to complete the identification scanning
861 software process or state-of-the-art alternative; declines to
862 accept the delivery of beer, wine, or spirits; or any
863 circumstances in the delivery environment which indicate
864 illegal conduct, overconsumption, or an otherwise unsafe
865 environment for the consumption of alcohol. In no event shall
866 a delivery service licensee leave an alcoholic beverage
867 delivery unattended.

868 (14) A delivery service licensee may ~~deliver~~drive



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869 through a dry county or municipality to deliver, but may not
870 deliver or cause a delivery to be made to an individual
871 residing in a dry county or dry municipality. Every employee
872 or independent contractor conducting a delivery shall maintain
873 within the delivery vehicle evidence, electronic or otherwise,
874 that the intended recipient of any alcoholic beverages is not
875 located in a dry county or dry municipality.

876 (15) A delivery service licensee may deliver alcoholic
877 beverages only during hours when alcoholic beverages may be
878 sold under general or local law.

879 (16) A delivery service licensee may not deliver any
880 alcoholic beverage to any residence hall on the grounds of any
881 institution of higher learning, including any college,
882 university, community college, technical college, or junior
883 college.

884 (17) A delivery service licensee may not deliver
885 alcoholic beverages to a location more than 75 miles from the
886 licensed premise of the retail licensee where the delivery
887 originated.

888 (18) A delivery service licensee may not deliver any
889 alcoholic beverage to any licensee of the board.

890 (19) A delivery service licensee shall report, at the
891 direction of the board, the total amount of beer, wine, or
892 spirits directly delivered to residents in the state during
893 the preceding calendar year.

894 (20) A delivery service licensee shall permit the board
895 or the Department of Revenue to perform an audit of the
896 licensee's records upon request.



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897 (c) A delivery service licensee shall be deemed to have
898 consented to the jurisdiction of the board, any law
899 enforcement agency, and the Alabama courts concerning
900 enforcement of this section and any related laws or rules.

901 (d) A delivery service licensee shall be considered to
902 be a servant or agent of the retail licensee with whom the
903 delivery service licensee has contracts, and any violation by
904 the delivery service licensee, its employees, or its
905 independent contractors may also be deemed to be a violation
906 by the retail licensee.

907 (e) A technology services company shall not be required
908 to obtain a delivery service license if the company does not
909 employ or contract with the individual making the deliveries,
910 but merely provides software or a digital network application
911 that connects consumers and licensed retailers for the
912 delivery of alcoholic beverages from a licensed retailer.

913 (f) A delivery service licensee may renew its license
914 with the board by paying an annual renewal fee of two hundred
915 fifty dollars (\$250) and by otherwise complying with the
916 renewal process set forth in Section 28-3A-5.

917 (g) The board may enforce the requirements of this
918 section to suspend or revoke a delivery service license by the
919 same administrative proceedings that apply to alcoholic
920 beverage licenses, and the board may accept payment of a fine
921 in lieu of suspension or revocation. The payments shall be as
922 determined by rule of the board.

923 (h) Except as provided in this section, local
924 ordinances establishing different rules on delivery, delivery



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925 service licensees, or requiring additional permits or fees,
926 are prohibited.

927 (i) The board may adopt rules pursuant to the Alabama
928 Administrative Procedure Act to implement this section.

929 (j) Any violation of this section is a Class B
930 misdemeanor upon a first conviction. A second or subsequent
931 conviction is a Class A misdemeanor."

932 Section 5. This act shall become effective on October
933 1, 2026.



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House of Representatives

Read for the first time and referred10-Mar-26
to the House of Representatives
committee on Economic Development
and Tourism
Read for the second time and placed17-Mar-26
on the calendar:
4 amendments
Read for the third time and passed31-Mar-26
as amended
Yeas 71
Nays 21
Abstains 12

John Treadwell
Clerk