

SB217 INTRODUCED



1 SB217

2 G39Q762-1

3 By Senators Singleton, Albritton, Waggoner, Jones, Smitherman,
4 Stewart, Coleman-Madison, Sessions

5 RFD: Tourism

6 First Read: 27-Jan-26



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4 SYNOPSIS:

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

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

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

22 This bill would further impose penalties on
23 retailers who sell mixed spirit beverages to
24 individuals who are under 21 years of age.

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

27 This bill would require suppliers of mixed
28 spirit beverages to designate exclusive sales



29 territories for each brand and enter into a
30 distribution agreement with a licensed wholesaler for
31 each sales territory.

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

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38 A BILL

39 TO BE ENTITLED

40 AN ACT

41

42 Relating to alcoholic beverages; to amend Sections
43 28-3-1, 28-3A-3, and 28-3A-23, Code of Alabama 1975; to define
44 a new category of low-alcohol content liquor beverages called
45 mixed spirit beverages; to add Section 28-3-208 to the Code of
46 Alabama 1975, to levy an excise tax upon the distribution of
47 mixed spirit beverages; to add Section 28-1-9 to the Code of
48 Alabama 1975, to regulate the display by retailers of mixed
49 spirit and other alcoholic beverages; to add Section 28-3A-9.1
50 to the Code of Alabama 1975, to provide a license for
51 wholesalers of mixed spirit beverages; to add Section
52 28-3A-17.3 to the Code of Alabama 1975, to provide licenses
53 and a requirement for retailers of mixed spirit beverages; to
54 amend Section 28-3A-21 as last amended by Acts 2025-405 and
55 2025-413, 2025 Regular Session, to set fees for the licenses;
56 to amend Sections 28-3A-1.5, 28-3A-11, 28-3A-12, 28-3A-13,

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57 28-3A-17.2, 28-3A-18, 28-3A-19, 28-3A-19.1, 28-3A-20, Code of
58 Alabama 1975, Section 1 of Act 2025-413, 2025 Regular Session,
59 now appearing as Section 28-3A-6.5, Code of Alabama 1975,
60 Section 3 of Act 2025-405, 2025 Regular Session, now appearing
61 as Section 28-3A-19.2, Code of Alabama 1975, and Section 2 of
62 Act 2025-405, 2025 Regular Session, now appearing as
63 28-3A-20.5, Code of Alabama 1975, to make conforming changes;
64 to add Section 28-3A-27 to the Code of Alabama 1975, to impose
65 penalties on retailers who sell mixed spirit beverages to
66 individuals under 21 years of age; and to add Chapter 8B to
67 Title 28 of the Code of Alabama 1975, to require licensed
68 importers, manufacturers, and suppliers of mixed spirit
69 beverages to enter into exclusive sales territory distribution
70 agreements with wholesalers.

71 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

72 Section 1. Section 28-1-9 is added to the Code of
73 Alabama 1975, to read as follows:

74 §28-1-9

75 (a) No alcoholic beverage products shall be sold or
76 distributed within the state without first having received
77 approval of the label thereon by the board.

78 (b) No alcoholic beverage shall be marketed, displayed,
79 labeled, or advertised in a way calculated to do either of the
80 following:

81 (1) Appeal to minors.

82 (2) Include statements, artwork, or designs that could
83 easily mislead an individual to believe that the product is
84 not an alcoholic beverage.



85 (c) No label shall be approved by the board which would
86 violate any rule of the board which governs general
87 advertising.

88 (d) Alcoholic beverages for retail sale shall be
89 displayed in such a way that they are separated from
90 nonalcoholic beverages, dual-branded beverages, or beverages
91 intended for children.

92 (e) Any licensed premises containing less than 500
93 square feet in capacity in which it is unfeasible to separate
94 the display of mixed spirit beverages from nonalcoholic
95 beverages shall prominently post signage that states: "The
96 products in this area contain alcohol and are not permitted
97 for sale to anyone under 21 years of age."

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

100 "§28-3-1

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

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

112 (2) ASSOCIATION. A partnership, limited partnership, or



113 any form of unincorporated enterprise owned by two or more
114 persons.

115 (3) BEER~~T~~ or MALT OR BREWED BEVERAGES. Any beer, lager
116 beer, ale, porter, malt or brewed beverage, or similar
117 fermented beverage containing one-half of one percent or more
118 of alcohol by volume and not in excess of ~~thirteen and~~
119 ~~nine-tenths~~13.9 percent alcohol by volume, brewed or produced
120 from malt, wholly or in part, or from rice, grain of any kind,
121 bran, glucose, sugar, or molasses. A beer or malt or brewed
122 beverage may incorporate honey, fruit, fruit juice, fruit
123 concentrate, herbs, spices, or other flavorings during the
124 fermentation process. The term does not include any product
125 defined as liquor, table wine, ~~or~~wine, or mixed spirit
126 beverages.

127 (4) BOARD. The Alabama Alcoholic Beverage Control
128 Board.

129 (5) BRANDY. All beverages that are an alcoholic
130 distillate from the fermented juice, mash, or wine of fruit,
131 or from the residue thereof, produced in such manner that the
132 distillate possesses the taste, aroma, and characteristics
133 generally attributed to the beverage, as bottled at not less
134 than 80 degree proof.

135 (6) CARTON. The package or container or containers in
136 which alcoholic beverages are originally packaged for shipment
137 to market by the manufacturer or its designated
138 representatives or the importer.

139 (7) CIDER. A fermented alcoholic beverage made from
140 apple juice and containing not more than 8.5 percent alcohol



141 by volume.

142 (8) CLUB.

143 a. Class I. A corporation or association organized or
144 formed in good faith by authority of law and which must have
145 at least 150 paid-up members. It must be the owner, lessee, or
146 occupant of an establishment operated solely for the objects
147 of a national, social, patriotic, political, or athletic
148 nature or the like, but not for pecuniary gain, and the
149 property, as well as the advantages of, which belong to all
150 the members and which maintains an establishment provided with
151 special space and accommodations where, in consideration of
152 payment, food with or without lodging is habitually served.
153 The club shall hold regular meetings, continue its business
154 through officers regularly elected, admit members by written
155 application, investigation, and ballot, and charge and collect
156 dues from elected members.

157 b. Class II. A corporation or association organized or
158 formed in good faith by authority of law and which must have
159 at least 100 paid-up members. It must be the owner, lessee, or
160 occupant of an establishment operated solely for the objects
161 of a national, social, patriotic, political, or athletic
162 nature or the like. The club shall hold regular meetings,
163 continue its business through officers regularly elected,
164 admit members by written application, investigation, and
165 ballot, and charge and collect dues from elected members.

166 (9) CONTAINER. The single bottle, can, keg, bag, or
167 other receptacle, but not a carton, in which alcoholic
168 beverages are originally packaged for the market by the



169 manufacturer or importer and from which the alcoholic beverage
170 is consumed by or dispensed to the public.

171 (10) CORPORATION. A corporation or joint stock
172 association organized under the laws of this state, the United
173 States, or any other state, territory, or foreign country, or
174 dependency.

175 (11) DELIVERY. The transportation of alcoholic
176 beverages directly from a retail licensee of the board to an
177 individual, pursuant to Section 28-1-4 and Section 28-3A-13.1.

178 (12) DELIVERY SERVICE LICENSE. A license issued by the
179 ~~Alabama Alcoholic Beverage Control Board~~ board in accordance
180 with Section 28-3A-13.1 that authorizes the licensee, the
181 licensee's employees, or independent contractors under a
182 contractual or business arrangement with the licensee to
183 transport and deliver alcoholic beverages.

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

191 (14) DRY MUNICIPALITY. Any municipality within a wet
192 county which has, by its governing body or by a majority of
193 those voting in a municipal election ~~heretofore~~ held in
194 accordance with the provisions of Section 28-2-22, or in a
195 municipal option election ~~heretofore or hereafter~~ held in
196 accordance with the provisions of ~~Act 84-408, Acts of Alabama~~



197 ~~1984, appearing as~~ Chapter 2A, or any act hereafter enacted
198 permitting municipal option election, voted to exclude the
199 sale of alcoholic beverages within the corporate limits of the
200 municipality.

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

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

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

206 b. Services, including supplementation and
207 supplementary services under the federal Social Security Act,
208 to or on behalf of persons to whom public assistance may be
209 given under Sections 38-2-5 and 38-4-1.

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

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

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

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

222 (19) IMPORTER. Any person, association, or corporation
223 engaged in importing alcoholic beverages, liquor, wine, ~~or~~
224 beer, or mixed spirit beverages manufactured outside of the



225 United States of America into this state or for sale or
226 distribution in this state, or to the board or to a licensee
227 of the board.

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

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

234 (22) LIQUOR. Any alcoholic, spirituous, vinous,
235 fermented, or other alcoholic beverage, or combination of
236 liquors and mixed liquor, a part of which is spirituous,
237 fermented, vinous, or otherwise alcoholic, and all drinks or
238 drinkable liquids, preparations, or mixtures intended for
239 beverage purposes, which contain one-half of one percent or
240 more of alcohol by volume, except beer, ~~and~~ table wine, and
241 mixed spirit beverages.

242 (23) LIQUOR STORE. A liquor store operated by the
243 board, where alcoholic beverages other than beer are
244 authorized to be sold in unopened containers.

245 (24) MANUFACTURER. Any person, association, or
246 corporation engaged in the producing, bottling, manufacturing,
247 distilling, fermenting, brewing, rectifying, or compounding of
248 alcoholic beverages, liquor, beer, ~~or~~ wine, or mixed spirit
249 beverages in this state or for sale or distribution in this
250 state or to the board or to a licensee of the board.

251 (25) MEAD. An alcoholic beverage produced by fermenting
252 a solution of honey and water with grain mash and containing



253 not more than 18 percent alcohol by volume.

254 (26) MEAL. A diversified selection of food some of
255 which is not susceptible of being consumed in the absence of
256 at least some articles of tableware and which cannot be
257 conveniently consumed while one is standing or walking about.

258 (27) MINOR. Any person under 21 years of age; provided,
259 however, in the event Section 28-1-5, ~~shall be~~ is repealed or
260 otherwise ~~shall be~~ no longer in effect, ~~thereafter~~ the
261 provisions of Section 26-1-1, shall govern.

262 (28) MIXED SPIRIT BEVERAGES. A single-serve beverage
263 containing liquor, packaged in a can or other container
264 approved by the board no larger than 16 ounces, and which
265 contains no more than 7 percent alcohol by volume. The term
266 does not include any beverage containing liquor over 16 ounces
267 in size or of more than 7 percent alcohol by volume.

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

270 (29) (30) PERSON. Every natural person, association, or
271 corporation. Whenever used in a clause prescribing or imposing
272 a fine or imprisonment, or both, ~~such~~ the term as applied to
273 an association shall mean the partners or members thereof and
274 as applied to a corporation shall mean the officers thereof,
275 except as to incorporated clubs the term ~~person shall mean~~
276 ~~such means an~~ individual or individuals who, under the bylaws
277 of such clubs, shall have jurisdiction over the possession and
278 sale of liquor therein.

279 (30) (31) POPULATION. The population according to the
280 last preceding or any subsequent decennial census of the



281 United States, except where a municipality is incorporated
282 subsequent to the last census, in which event, its population
283 until the next decennial census shall be the population of the
284 municipality as determined by the judge of probate of the
285 county as the official population on the date of its
286 incorporation.

287 ~~(31)~~ (32) RESTAURANT. A reputable place licensed as a
288 restaurant, operated by a responsible person of good
289 reputation, and habitually and principally used for the
290 purpose of preparing and serving meals for the public to
291 consume on the premises.

292 ~~(32)~~ (33) RETAILER. Any person licensed by the board to
293 engage in the retail sale of any alcoholic beverages to the
294 consumer.

295 ~~(33)~~ (34) SALE or SELL. Any transfer of liquor, wine, ~~or~~
296 beer, or mixed spirit beverages for a consideration, and any
297 gift in connection with, or as a part of, a transfer of
298 property other than liquor, wine, ~~or~~ beer, or mixed spirit
299 beverages for a consideration.

300 ~~(34)~~ (35) SELLING PRICE. The total marked-up price of
301 spirituous or vinous liquors sold by the board, exclusive of
302 taxes levied thereon.

303 ~~(35)~~ (36) TABLE WINE. Except as otherwise provided in
304 this subdivision, any wine containing not more than 24 percent
305 alcohol by volume. Table wine does not include any wine
306 containing more than ~~sixteen and one-half~~ 16.5 percent alcohol
307 by volume that is made with herbs or flavors, except vermouth,
308 or is an imitation or other than standard wine. Table wine is



309 not liquor, spirituous, or vinous.

310 ~~(36)~~(37) UNOPENED CONTAINER. A container containing
311 alcoholic beverages, which has not been opened or unsealed
312 subsequent to filling and sealing by the manufacturer or
313 importer.

314 ~~(37)~~(38) WET COUNTY. Any county which by a majority of
315 those voting voted in the affirmative in an election
316 ~~heretofore~~ held in accordance with the statutes applicable at
317 the time of the election or may hereafter vote in the
318 affirmative in an election or special method referendum held
319 in accordance with Chapter 2, or other statutes applicable at
320 the time of the election.

321 ~~(38)~~(39) WET MUNICIPALITY. Any municipality in a dry
322 county which by a majority of those voting voted in the
323 affirmative in a municipal option election ~~heretofore or~~
324 ~~hereafter~~ held in accordance with ~~the provisions of Act~~
325 ~~84-408, Acts of Alabama 1984, appearing as~~ Chapter 2A of this
326 title, ~~as amended~~, or any act hereafter enacted permitting
327 municipal option election, or any municipality ~~which that~~
328 became wet by vote of the governing body or by the voters of
329 the municipality ~~heretofore or hereafter~~ held under the
330 special method referendum provisions of Section 28-2-22, or as
331 hereafter provided, where the county has become dry subsequent
332 to the elected wet status of the municipality.

333 ~~(39)~~(40) WHOLESALER. Any person licensed by the board
334 to engage in the sale and distribution of table wine, ~~and~~
335 beer, or mixed spirit beverages, or either any combination
336 thereof of them, within this state, at wholesale only, to be



337 sold by export or to retail licensees or other wholesale
338 licensees or others within this state lawfully authorized to
339 sell table wine, ~~and~~ beer, or mixed spirit beverages, or
340 ~~either~~ any combination thereof ~~of them~~, for the purpose of
341 resale only.

342 ~~(40)~~ (41) WINE. All beverages made from the fermentation
343 of fruits, berries, or grapes, with or without added spirits,
344 and produced in accordance with the laws and regulations of
345 the United States, containing not more than 24 percent alcohol
346 by volume, and shall include all sparkling wines, carbonated
347 wines, special natural wines, rectified wines, vermouths,
348 vinous beverages, vinous liquors, and like products, including
349 restored or unrestored pure condensed juice."

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

352 §28-3-208

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

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

364 b. It shall be unlawful for any person who is required



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

373 (2) The tax levied by subsection (a) shall be collected
374 by a monthly return as follows:

375 a. The wholesaler shall file a monthly return with the
376 board no later than the 15th day of the second month following
377 the month of receipt of mixed spirit beverages by the
378 wholesaler on a form prescribed by the board showing receipts
379 by the wholesaler from manufacturers, importers, or other
380 wholesaler licensees during the month of receipt and the tax
381 due thereon at the rate of two and five-tenths cents (\$.025)
382 per ounce of mixed spirit beverages sold to the wholesaler.
383 The tax due at this rate shall be remitted to the board along
384 with the return.

385 b. A wholesaler shall file a monthly return with the
386 county or municipality within which the mixed spirit beverage
387 is sold at retail not later than the 15th day of each month,
388 showing sales by wholesalers during the preceding month and
389 the tax due thereon at the rate of two thousandths cents
390 (\$.002) per ounce sold. The tax due at this rate shall be
391 remitted to the county or municipality along with the return
392 and shall be distributed as provided in Section 28-3-190.



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

402 (1) Fifty percent of the mixed spirit beverage tax
403 shall be deposited in the State General Fund.

404 (2) Thirty-three percent of the mixed spirit beverage
405 tax shall be retained by the board for regulatory,
406 enforcement, and administrative purposes.

407 (3) The remainder of the mixed spirit beverage tax
408 shall be distributed to the county or municipality where the
409 mixed spirit beverages were sold and shall be distributed as
410 provided in Section 28-3-190.

420 (e) The tax levied by subsection (a) shall not be

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421 imposed upon the sale, trade, or barter of mixed spirit
422 beverages by one licensed wholesaler to another wholesaler
423 licensed to sell and handle mixed spirit beverages in this
424 state, which transaction is made exempt from the tax, provided
425 the board may require written reporting of any such
426 transaction in the form as the board may prescribe pursuant to
427 paragraph (b) (2)a.

428 (f) Each county and municipality may fix a reasonable
429 privilege or license fee on retail, importer, and wholesale
430 licensees, for the purpose of covering the cost of
431 administration with respect to the sale of mixed spirit
432 beverage, but not to generate revenue. A county or
433 municipality may not levy a license or privilege tax or other
434 charge for the privilege of doing business as a mixed spirit
435 beverage wholesaler, importer, or retailer which shall exceed
436 one-half the amount of the state license fee.

437 (g) Nothing in this section shall be construed to
438 restrict a municipality's authority to issue a business
439 license pursuant to Article 2 of Chapter 51 of Title 11 on the
440 privilege of doing business as a mixed spirit beverage
441 wholesaler, importer, or retailer. Any business license issued
442 pursuant to the foregoing article on the privilege of doing
443 business as a mixed spirit beverage wholesaler, importer, or
444 retailer shall not be measured by the volume of sale for mixed
445 spirit beverages.

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

448 "§28-3A-3



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

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

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

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

466 **(5)e.** To store or warehouse ~~any or all~~ alcoholic
467 beverages for transshipment inside and outside the state.

468 (6)f. To sell and dispense at retail in a lounge, ~~liquor and other~~ alcoholic beverages for on-premises
469 ~~liquor and other~~ consumption.
470

471 (7)g. To sell and dispense at retail ~~in an~~
472 ~~establishment habitually and principally used for the purpose~~
473 ~~of providing meals for the public, liquor and other~~ in a
474 restaurant alcoholic beverages for on-premises consumption.

475 (8)h. To sell liquor and wine at retail for
476 off-premises consumption.



477 ~~(9)~~i. To sell and dispense at retail in a club, liquor
478 and other alcoholic beverages for on-premises consumption.

479 ~~(10)~~j. To sell table wine at retail for off-premises
480 consumption.

481 ~~(11)~~k. To sell table wine at retail for on-premises and
482 off-premises consumption.

483 ~~(12)~~l. To sell beer at retail for on-premises and
484 off-premises consumption.

485 ~~(13)~~m. To sell beer at retail for off-premises
486 consumption.

487 n. To sell mixed spirit beverages at retail for
488 on-premises and off-premises consumption.

489 o. To sell mixed spirit beverages at retail for
490 off-premises consumption.

491 ~~(14)~~p. To sell liquor and other alcoholic beverages at
492 retail by a retail common carrier with a passenger capacity of
493 at least 10 people.

494 ~~(15)~~q. To sell ~~any or all~~ alcoholic beverages at retail
495 under a special license issued conditioned upon terms and
496 conditions and for the period of time prescribed by the board.

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

500 ~~(2) Provided, however, that the~~Notwithstanding
501 subdivision (1), licenses authorized under subdivision (1) may
502 not be issued in dry counties where traffic in alcoholic
503 beverages is not authorized by law, ~~therein~~ except a wine
504 manufacturer license may be issued in a dry county pursuant to



505 Section 28-7-10.1. ~~Provided the~~The restriction of this
506 ~~paragraph~~subdivision shall not apply to the ~~issuance of a~~
507 renewal of a license under ~~subdivisions (1), (2), (3), (4),~~
508 ~~and (5) paragraphs (1)a. through (1)e.~~ where the county or
509 municipality was wet when the initial license was issued and
510 the county or municipality subsequently votes dry; however, no
511 importer or wholesaler licensee may sell or distribute
512 alcoholic beverages within a dry county, except in a wet
513 municipality therein, or within a dry municipality.

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

517 (c) Licenses issued under this chapter, unless revoked
518 or suspended in the manner provided in this chapter, shall be
519 valid for the license year which shall begin on ~~the first day~~
520 ~~of~~ October 1 of each year, unless otherwise established by
521 this chapter or by the board. Licenses may be issued at any
522 time during the year."

523 Section 5. Sections 28-3A-9.1 and 28-3A-17.3 are added
524 to the Code of Alabama 1975, to read as follows:

525 §28-3A-9.1

526 (a) Upon payment of the applicable fee for a mixed
527 spirit beverage wholesaler license as established in Section
528 28-3A-21 and the applicant's compliance with this chapter and
529 rules adopted pursuant to this chapter, the board shall issue
530 to a wholesaler a mixed spirit beverage wholesaler license.

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



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

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

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

541 (4) Export mixed spirit beverages from the state.

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

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

549 (2) Notwithstanding this section, Section 28-3A-17.3,
550 or Chapter 8B, the board shall retain the authority to act as
551 a wholesaler of mixed spirit beverages, provided the board, as
552 a wholesaler, shall only distribute mixed spirit beverages to
553 state liquor stores.

554 §28-3A-17.3



561 (1) A valid retail table wine license for on-premises
562 and off-premises consumption as provided for in Section
563 28-3A-14.

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

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

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

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

575 (c) As a condition for obtaining a license under this
576 section, an applicant shall implement a secure age
577 verification system that electronically scans an approved form
578 of identification to determine whether an individual
579 purchasing mixed spirit beverages is no less than 21 years of
580 age.

581 (d) The board shall retain all limited mixed spirit
582 beverage expanded retail license fees collected. The board may
583 use collected fees for regulatory and administrative purposes
584 as determined by the board in its discretion, including for
585 the purposes of occasional purchases by the board of mixed
586 spirit beverages to ensure compliance with this chapter.



589 administrative requirements, including no requirement for
590 additional background checks imposed by the municipality,
591 county, or state for licensees for the sale of mixed spirit
592 beverages.

593 Section 6. Section 28-3A-21, as last amended by Acts
594 2025-405 and 2025-413 of the 2025 Regular Session, and Section
595 28-3A-23, Code of Alabama 1975, are amended to read as
596 follows:

597 "§28-3A-21

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

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

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

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

607 (4) Beer wholesaler license, license fee of five
608 hundred fifty dollars (\$550) plus two hundred dollars (\$200)
609 for each warehouse in addition to the principal warehouse.

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

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



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

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

625 (7)-(9) Warehouse license, license fee of two hundred
626 dollars (\$200) .

627 (8)-(10) Lounge retail liquor license, license fee of
628 three hundred dollars (\$300) .

629 (9)-(11) Restaurant retail liquor license, license fee
630 of three hundred dollars (\$300) .

631 (10)-(12) Club liquor license, Class I license fee of
632 three hundred dollars (\$300), Class II license fee of seven
633 hundred fifty dollars (\$750) .

634 (11)-(13) Retail table wine license for off-premises
635 consumption, license fee of one hundred fifty dollars (\$150) .

636 (12)-(14) Retail table wine license for on-premises and
637 off-premises consumption, license fee of one hundred fifty
638 dollars (\$150) .

639 (13)-(15) Retail beer license for on-premises and
640 off-premises consumption, license fee of one hundred fifty
641 dollars (\$150) .

642 (14)-(16) Retail beer license for off-premises
643 consumption, license fee of one hundred fifty dollars (\$150) .

644 (15)-(17) Retail common carrier liquor license, license

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645 fee of one hundred fifty dollars (\$150) for each railroad,
646 airline, bus line, ship line, vessel, or other common carrier
647 entity with a vehicle passenger capacity of at least 10
648 people.

649 ~~(16)~~⁽¹⁸⁾ Special retail license, license fee of one
650 hundred dollars (\$100) for 30 days or less; license fee of two
651 hundred fifty dollars (\$250) for more than 30 days.

652 ~~(17)~~⁽¹⁹⁾ Special events retail license, license fee of
653 one hundred fifty dollars (\$150).

654 (20) Limited mixed spirit beverage expanded retail
655 license, license fee of five hundred dollars (\$500).

656 ~~(18)~~⁽²¹⁾ Government venue license, license fee of two
657 hundred fifty dollars (\$250).

658 ~~(19)~~⁽²²⁾ Event storage license, license fee of five
659 hundred fifty dollars (\$550).

660 ~~(20)~~⁽²³⁾ Educational tourism distillery license,
661 license fee of one thousand dollars (\$1,000).

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

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

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

672 "§28-3A-23



673 (a) No license prescribed in this ~~title~~chapter shall be
674 issued or renewed until the provisions of this ~~title~~chapter
675 have been complied with and the filing and license fees other
676 than those levied by a municipality are paid to the board.

677 (b) Licenses shall be granted and issued by the board
678 only to reputable individuals, to associations whose members
679 are reputable individuals, or to reputable corporations
680 organized under the laws of this state or duly qualified
681 thereunder to do business in Alabama, or, in the case of
682 manufacturers, duly registered under the laws of Alabama, and
683 then only when it appears that all officers and directors of
684 the corporation are reputable individuals.

685 (c) (1) In addition to all other requirements, an
686 applicant for a license under this section shall submit to the
687 board a form, sworn to by the applicant, providing written
688 consent from the applicant for the release of criminal history
689 background information. The form shall also require the
690 applicant's name, date of birth, and Social Security number
691 for completion of a criminal history background check.

692 (2) An applicant shall provide the board with two
693 complete functional sets of fingerprints, either cards or
694 electronic, properly executed by a criminal justice agency or
695 an individual properly trained in fingerprinting techniques.
696 The fingerprints and form shall be submitted by the board to
697 the State Bureau of ~~Investigations~~Investigation of the Alabama
698 State Law Enforcement Agency for the purposes of furnishing
699 criminal background checks. The State Bureau of
700 ~~Investigations~~Investigation shall forward a copy of the



701 applicant's prints to the Federal Bureau of Investigation for
702 a national criminal background check. The applicant shall pay
703 all costs associated with the background checks required by
704 this section.

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

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

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

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

725 (f) Any retailer may be granted licenses to maintain,
726 operate, or conduct any number of places for the sale of
727 alcoholic beverages, but a separate license must be secured
728 for each place where alcoholic beverages are sold. No retail



729 license issued under this ~~title~~chapter shall be used for more
730 than one premises, nor for separate types of operation on the
731 same premises. ~~Provided, however, any~~Any such licensed retail
732 operation existing on May 14, 2009, and operating based on
733 dual licenses, both a club or lounge license and a restaurant
734 license, on the same premises shall be exempt from the
735 requirement of the preceding sentence and may continue to
736 operate under the dual licenses. Any rule adopted by the board
737 relating to the requirements concerning dual licenses, both a
738 club or lounge license and a restaurant license, shall not
739 apply to any retail operation existing on May 14, 2009. The
740 rules shall include, but not be limited to, the maintenance of
741 separate books, separate entrances, and separate inventories.
742 Each premises must have a separate retail license. Where more
743 than one retail operation is located within the same building,
744 each operation under a separate or different ownership is
745 required to obtain a separate retail license; and where more
746 than one type of retail operation located within the same
747 building is operated by the same licensee, the licensee must
748 have a license for each type of retail operation. ~~Provided,~~
749 ~~there~~There shall be no licenses issued by the board for the
750 sale of liquor, beer, or wine by rolling stores.

751 (g) No retailer shall sell any alcoholic beverages for
752 consumption on the licensed premises except in a room or rooms
753 or place on the licensed premises at all times accessible to
754 the use and accommodation of the general public; but this
755 section shall not be interpreted to prevent a hotel or club
756 licensee from selling alcoholic beverages in any room of the



757 hotel or club house occupied by a bona fide registered guest
758 or member or private party entitled to purchase the same.

759 (h) All beer, except draft or keg beer, sold by
760 retailers must be sold or dispensed in bottles, cans, or other
761 containers not to exceed 25.4 ounces. All wine sold by
762 retailers for off-premises consumption must be sold or
763 dispensed in bottles or other containers in accordance with
764 the standards of fill specified in the then effective
765 standards of fill for wine prescribed by the U.S. Treasury
766 Department.

767 (i) Draft or keg beer may be sold or dispensed within
768 this state within those counties in which and in the manner in
769 which the sale of draft or keg beer was authorized by law on
770 September 30, 1980, or in which the sale of draft or keg beer
771 is hereafter authorized by law. ~~In rural communities with a~~
~~predominantly foreign population, after the payment of the tax~~
~~imposed by this title, draft or keg beer may be sold or~~
~~dispensed by special permit from the board, when, in the~~
~~judgment of the board, the use and consumption of draft or keg~~
~~beer is in accordance with the habit and customs of the people~~
~~of any such rural community. The board may grant to any civic~~
~~center authority or its franchisee or concessionaire, to which~~
~~the board may have issued or may simultaneously issue a retail~~
~~license under the provisions of this title, a revocable~~
~~temporary permit to sell or dispense in any part of its civic~~
~~center, for consumption therein, draft or keg beer. Either~~
~~permit shall be promptly revoked by the board if, in its~~
~~judgment, the same tends to create intemperance or is~~



785 ~~prejudicial to the welfare, health, peace, temperance, and~~
786 ~~safety of the people of the community or of the state.~~

787 (j) No importer shall sell alcoholic beverages to any
788 person other than a wholesaler licensee, or sell to a
789 wholesaler licensee any brand or brands of alcoholic beverages
790 for sale or distribution in this state, except where the
791 importer has been granted written authorization from the
792 manufacturer thereof to import and sell the brand or brands to
793 be sold in this state, which authorization is on file with the
794 board.

795 (k) No wholesaler shall maintain or operate any place
796 where sales are made other than that for which the wholesale
797 license is granted; ~~provided, however, a.~~ A wholesaler may be
798 licensed to sell and distribute liquor, wine, ~~and~~ beer, and
799 mixed spirit beverages. No wholesaler shall maintain any place
800 for the storage of liquor, wine, ~~or~~ beer, or mixed spirit
801 beverages unless the same has been approved by the board. No
802 wholesaler license shall be issued for any premises in any
803 part of which there is operated any retail license for the
804 sale of alcoholic beverages.

805 (l) Licenses issued under this ~~title~~chapter may not be
806 assigned. The board may transfer any license from one person
807 to another, or from one place to another within the same
808 governing jurisdiction, or both, as the board may determine;
809 but no transfers shall be made to a person who would not have
810 been eligible to receive the license originally~~r~~ nor for the
811 transaction of business at a place for which the license could
812 not originally have been issued lawfully.



813 (m) Every applicant for a transfer of a license shall
814 file a written application with the board within such time as
815 the board shall fix in its rules. Whenever any license is
816 transferred, there shall be collected a filing fee of fifty
817 dollars (\$50), to be paid to the board, and the board shall
818 pay the fee into the State Treasury to the credit of the Beer
819 Tax and License Fund of the board.

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841 28-3A-20, Code of Alabama 1975, Section 1 of Act 2025-413,
842 2025 Regular Session, now appearing as Section 28-3A-6.5, Code
843 of Alabama 1975, Section 3 of Act 2025-405, 2025 Regular
844 Session, now appearing as Sections 28-3A-19.2, Code of Alabama
845 1975, and Section 2 of Act 2025-405, 2025 Regular Session, now
846 appearing as 28-3A-20.5, Code of Alabama 1975, are amended to
847 make conforming changes to read as follows:

848 "§28-3A-1.5

849 (a) Definitions.

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

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

855 (2) QUALIFYING ORGANIZATION. A bona fide nonprofit
856 organization operating in the state that satisfies all of the
857 following requirements:

858 a. Operates without profit to the organization's
859 members.

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

862 c. Satisfies at least one of the following
863 requirements:

864 1. Has been continuously in existence in the state for
865 a minimum of three years.

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

868 3. Has reorganized and is continuing its mission under



869 a new name on file with the Secretary of State and with a new
870 tax identification number after having satisfied the
871 requirements set forth in either subparagraph 1. or 2.

872 (b) Licensed authorized.

873 The board may issue a nonprofit special events retail
874 license for the sale of beer, wine, mixed spirit beverages,
875 and liquor to a qualifying organization.

876 (c) Applications for nonprofit special events retail
877 license.

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

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

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

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

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

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

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

896 (3) A qualifying organization that applies for a



897 nonprofit special events retail license shall not be required
898 to provide evidence of liquor liability insurance.

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

901 (5) Nonprofit special ~~event~~events retail licenses are
902 not renewable and are valid for a period not to exceed seven
903 days, and are issued upon terms and conditions as the board
904 may prescribe.

905 (d) Donated alcohol.

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

908 (e) Rulemaking authority.

909 The board may adopt rules necessary for the
910 implementation and administration of this section and Section
911 28-3A-6."

912 "§28-3A-11

913 Upon applicant's compliance with the provisions of this
914 chapter and the regulations made thereunder, the board~~shall~~,
915 where the application is accompanied by a certificate from the
916 clerk or proper officer setting out that the applicant has
917 presented his or her application to the governing authority of
918 the municipality, if the licensed premises is to be located
919 therein, and has obtained its consent and approval, shall
920 issue a retail liquor license which will authorize the
921 licensee to purchase liquor and wine from the board or as
922 authorized by the board and to purchase table wine, mixed
923 spirit beverages, and beer, including draft or keg beer in any
924 county or municipality in which the sale thereof is permitted,



925 from any wholesaler licensee of the board and to sell at
926 retail liquor and wine, dispensed from containers of any size,
927 mixed spirit beverages in containers not to exceed 16 ounces,
928 and beer, including draft or keg beer, in any county or
929 municipality in which the sale thereof is permitted, to
930 patrons. A lounge liquor licensee may permit dancing or
931 provide other lawful entertainment on the licensed premises.
932 No person under 19 years of age shall be admitted on the
933 premises of any lounge liquor licensee as a patron or
934 employee, and it shall be unlawful for any such licensee to
935 admit any minor to the premises as a patron or employee."

936 "§28-3A-12

937 Upon applicant's compliance with the provisions of this
938 chapter and the regulations made thereunder, the board ~~may~~,
939 where the application is accompanied by a certificate from the
940 clerk or proper officers setting out that the applicant has
941 presented his or her application to the governing authority of
942 the municipality, if the licensed premises is to be located
943 therein, and has obtained its consent and approval, may issue
944 a club liquor license for a club which will authorize the
945 licensee to purchase liquor and wine from the board or as
946 authorized by the board and to purchase table wine, mixed
947 spirit beverages, and beer, including draft or keg beer, in
948 any county or municipality in which the sale thereof is
949 permitted, from any wholesale licensee of the board and to
950 sell liquor and wine, dispensed from containers of any size,
951 mixed spirit beverages in containers not to exceed 16 ounces,
952 and beer, including draft or keg beer, in any county or



953 municipality in which the sale thereof is permitted, to the
954 members of the club or their guests for on-premises
955 consumption and to sell all of the above for off-premises
956 consumption except on Sunday."

957 "§28-3A-13

958 (a) Upon applicant's compliance with this chapter and
959 the rules adopted thereunder, the board~~shall~~, where the
960 application is accompanied by a certificate from the clerk or
961 proper officer setting out that the applicant has presented
962 his or her application to the governing authority of the
963 municipality, if the licensed premises is to be located
964 therein, and has obtained its consent and approval, shall
965 issue a restaurant liquor license for a hotel, restaurant,
966 civic center authority, or dinner theater which will authorize
967 the licensee to purchase liquor and wine from the board or as
968 authorized by the board and to purchase table wine, mixed
969 spirit beverages, and beer, including draft or keg beer, in
970 any county or municipality in which the sale thereof is
971 permitted, from any wholesale licensee of the board and, in
972 that part of the hotel, restaurant, club, or dinner theater
973 set out in the license, to sell liquor and wine, dispensed
974 from containers of any size, mixed spirit beverages in
975 containers not to exceed 16 ounces, and beer, including draft
976 or keg beer, in any county or municipality in which the sale
977 thereof is permitted, to the patrons, guests, or members for
978 on-premises consumption in any part of the civic center or in
979 that part of the hotel, restaurant, or dinner theater
980 habitually used for serving meals to patrons, guests, or



981 members, or other public or private rooms of the building in
982 accordance with this chapter and the rules adopted thereunder,
983 and where a restaurant located in a hotel, but not operated by
984 the owner of the hotel, is licensed to sell alcoholic
985 beverages in the restaurant, it may also sell alcoholic
986 beverages to guests in private rooms in the hotel.

987 (b) In accordance with Section 28-3A-13.1, a restaurant
988 retail liquor licensee licensed to sell beer, wine, mixed
989 spirit beverages, or spirits for on-premises consumption may
990 apply for and be issued a delivery service license that
991 authorizes the licensee to deliver, along with the purchase of
992 a meal, beer, wine, mixed spirit beverages, or spirits from
993 the retailer's premises."

994 "§28-3A-17.2

995 (a) As used in this section, "food or beverage truck"
996 means a fully encased food or beverage service establishment
997 approved by the Department of Public Health, which is housed
998 on a motor vehicle or on a trailer that a motor vehicle pulls
999 to transport, and from which a vendor, standing within the
1000 frame of the vehicle, prepares, cooks, sells, or serves food
1001 or beverages, or both, for immediate human consumption. The
1002 term does not include a food or beverage cart that is not
1003 motorized.

1004 (b) (1) Upon a food or beverage truck applicant's
1005 compliance with this chapter and any rules adopted thereunder,
1006 and upon presentation of the certificate described in
1007 subdivision (2), the board shall issue to the applicant a food
1008 or beverage truck license that will authorize the licensee to



1009 purchase liquor and wine from the board or, as authorized by
1010 the board, table wine, mixed spirit beverages, and beer,
1011 including draft or keg beer, from any wholesale licensee of
1012 the board and to sell alcoholic beverages for on-premises
1013 consumption to guests who may consume the beverages in open
1014 containers anywhere within an area designated by the municipal
1015 governing body within an established entertainment district,
1016 provided the license is not prohibited by a valid ordinance or
1017 other ordinance in the valid exercise of police power by the
1018 governing body of the municipality in which the food or
1019 beverage truck is located.

1020 (2) An applicant shall obtain from the municipality in
1021 which the food or beverage truck intends to operate a
1022 certificate setting out that the applicant has presented his
1023 or her application to the governing body of the municipality
1024 and the municipality approves of the issuance of the license
1025 for the food or beverage truck to sell alcoholic beverages.

1026 (c) The food or beverage truck license fee shall be
1027 three hundred dollars (\$300).

1028 (d) A food or beverage truck operating outside the
1029 designated entertainment district may not sell alcoholic
1030 beverages.

1031 (e) A food or beverage truck licensee shall consent, in
1032 writing, to warrantless inspections by city, county, and state
1033 inspectors and law enforcement.

1034 (f) A food or beverage truck licensee must comply with
1035 all on-premises rules, other than the requirement for seating
1036 and restrooms.



1037 (g) Each food or beverage truck licensee shall collect
1038 and remit all state and local sales and use taxes and all
1039 excise and privilege taxes due on the sale of alcoholic
1040 beverages.

1041 (h) A food or beverage truck licensee may not serve or
1042 be authorized to serve any food or beverage within 150 feet of
1043 any entrance to any permanent restaurant or to any Alcoholic
1044 Beverage Control Board licensee.

1052 "§28-3A-18



1065 this state without first obtaining a retail common carrier
1066 liquor license from the board.

1067 (b) Sales within Alabama of alcoholic beverages by
1068 retail common carrier liquor licensees shall be made in
1069 accordance with and shall be subject to the provisions of this
1070 chapter and regulations ~~promulgated adopted~~ thereunder."

1071 "§28-3A-19

1072 Upon applicant's compliance with the provisions of this
1073 chapter and the regulations made thereunder, the board shall
1074 issue a special retail license in wet counties for a state
1075 park, racing commission, fair authority, airport authority, or
1076 civic center authority, or the franchises or concessionaire of
1077 such park, commission, or authority, and may, in its
1078 discretion, issue a special retail license to any other valid,
1079 responsible organization of good reputation for such period of
1080 time not to exceed one year and upon such terms and conditions
1081 as the board shall prescribe, which will authorize the
1082 licensee to purchase, where the retail sale thereof is
1083 authorized by the board, liquor and wine from the board or as
1084 authorized by the board and table wine, mixed spirit
1085 beverages, and beer from any wholesale licensee of the board
1086 and to sell at retail and dispense such alcoholic beverages as
1087 are authorized by the board at such locations authorized by
1088 the board upon such terms and conditions as prescribed by the
1089 board. ~~Provided, however, no~~ No sale of alcoholic beverages
1090 shall be permitted on any Sunday after the hour of 2:00
1091 A.M."

1092 "§28-3A-19.1



(a) Upon compliance by an applicant with the provisions of this chapter, and the regulations made thereunder, the Alcoholic Beverage Control 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, or by a 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, may 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~~Sunday, and to sell all of the aforementioned for



1121 off-premises consumption except on Sunday. Such sales shall be
1122 incidental to the primary purpose of recreation and athletics,
1123 and shall be confined to those buildings, facilities, and
1124 grounds which comprise the speedway.

1125 (b) An annual license fee of three hundred dollars
1126 (\$300) is levied and prescribed for an international motor
1127 speedway license issued and renewed by the board pursuant to
1128 the authority contained in this section and this chapter."

1129 "§28-3A-20

1130 Upon applicant's compliance with this chapter and the
1131 regulations made thereunder, and upon application made on a
1132 form provided by the board at least 25 days in advance of the
1133 event for which a license is granted, the board shall issue a
1134 special events license for a valid, responsible organization
1135 of good reputation, for a period not to exceed seven days, and
1136 upon such terms and conditions as the board may prescribe. The
1137 license shall authorize the licensee to purchase, where the
1138 retail sale thereof is authorized by the board, liquor and
1139 wine from the board or as authorized by the board and table
1140 wine, mixed spirit beverages, and beer from any wholesale
1141 licensee of the board and to sell at retail and dispense such
1142 alcoholic beverages as are authorized by the board to the
1143 patrons, guests, or members of the organization at such
1144 locations or areas as shall be authorized by the board upon
1145 such terms and conditions as prescribed by the board. No sale
1146 of alcoholic beverages shall be permitted on any Sunday after
1147 the hour of 2:00 ~~A.M.~~ a.m."

1148 "§28-3A-6.5

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1149 (a) (1) Upon compliance by an applicant with this
1150 chapter and provided the operation is in compliance with state
1151 and federal laws, rules, and regulations, the Alabama
1152 Alcoholic Beverage Control Board may issue an Educational
1153 Tourism Distillery license to any person engaged in the
1154 producing, bottling, manufacturing, distilling, rectifying, or
1155 compounding of liquor upon payment of the license fee as
1156 established in Section 28-3A-21.

1157 (2) For~~the~~ purposes of this section, an Educational
1158 Tourism Distillery licensee must produce, bottle, manufacture,
1159 distill, rectify, or compound 100,000 gallons or more of
1160 liquor each year.

1161 (3) For purposes of this section, the total gross sales
1162 of an Educational Tourism Distillery licensee must be 50
1163 percent or more from liquor products produced, bottled,
1164 manufactured, distilled, rectified, or compounded on site.

1165 (4) For purposes of this section, an Educational
1166 Tourism Distillery licensee may export sales outside of the
1167 State of Alabama.

1168 (5) Any licensee operating under or in conjunction with
1169 an Educational Tourism Distillery license shall be responsible
1170 for ensuring compliance with all applicable laws and board
1171 rules relating to the sale of alcohol.

1172 (b) An Educational Tourism Distillery license
1173 authorizes the licensee to do all of the following on the
1174 premises pursuant to this section:

1175 (1) Purchase other liquor and wine from the board, or
1176 as authorized by the board; purchase table wine, mixed spirit



1177 beverages, and beer from any wholesale licensee of the board;
1178 and sell liquor, wine, and beer dispensed from containers of
1179 any size, to include draft beer, and mixed spirit beverages in
1180 containers not to exceed 16 ounces, for on-premises
1181 consumption. The sale of alcoholic beverages under this
1182 subdivision shall be confined to a designated enclosed area
1183 comprising no fewer than 500 square feet for service and
1184 consumption, within which patrons under 21 years of age are
1185 prohibited from entering. Any liquor manufactured at the
1186 licensed premises may be sold for ~~on-premises~~on-premises
1187 consumption in this designated area, provided that the total
1188 amount of liquor sold in a single tasting or sampling flight
1189 does not exceed one and one-half ounces.

1190 (2) Purchase other liquor and wine from the board, or
1191 as authorized by the board; purchase table wine, mixed spirit
1192 beverages, and beer from any wholesale licensee of the board;
1193 and sell liquor, wine, and beer dispensed from containers of
1194 any size, to include draft beer, and mixed spirit beverages in
1195 containers not to exceed 16 ounces, for on-premises
1196 consumption in a freestanding separate structure on the
1197 licensed premises where the licensee provides or serves food.
1198 Any liquor manufactured at the licensed premises may be sold
1199 at retail for on-premises consumption in the designated area.

1200 (3) Purchase other liquor and wine from the board, or
1201 as authorized by the board; purchase table wine, mixed spirit
1202 beverages, and beer from any wholesale licensee of the board;
1203 and sell liquor, wine, and beer dispensed from containers of
1204 any size, to include draft beer, and mixed spirit beverages in



1205 containers not to exceed 16 ounces, for on-premises
1206 consumption at temporary or permanently designated serving
1207 stations on the licensed premises for special events such as
1208 receptions, parties, or similar gatherings. A licensee shall
1209 post at each of its special event serving stations at least
1210 one sign warning customers that the sale of alcoholic
1211 beverages to patrons under 21 years of age is strictly
1212 prohibited. Any liquor manufactured at the licensed premises
1213 may be sold for on-premises consumption in the designated
1214 serving stations.

1215 (4) Sell at retail in a designated enclosed area, which
1216 shall be separate from all other designated areas on the
1217 licensed premises, for off-premises consumption, liquor
1218 manufactured at the licensed premises; ~~provided, however,~~
1219 liquor. Liquor sold for off-premises consumption may not
1220 exceed four and one-half liters per customer per day and shall
1221 be sealed, labeled, packaged, and taxed in accordance with
1222 state and federal laws, rules, and regulations.

1223 (5) Must provide patrons with the opportunity to
1224 participate in a guided tour of the distillery operations,
1225 which tours must include an educational component in which an
1226 in-person guide provides information to patrons regarding the
1227 historic and scientific characteristics of the liquor
1228 manufactured at the licensed premises. A licensee may offer a
1229 tasting or sampling of liquor manufactured at the licensed
1230 premises at the conclusion of each tour in a designated
1231 enclosed area which shall be separate from all other
1232 designated areas on the licensed premises, provided that the



1233 total amount of liquor provided to each patron for such
1234 tasting or sampling does not exceed one and one-half ounces.
1235 The price of the tasting or sampling shall be included in the
1236 price charged to patrons over 21 years of age for the guided
1237 tour. No retail sales shall be authorized in the designated
1238 area.

1239 (c) An Educational Tourism Distillery licensee may
1240 transfer liquor directly from a licensed manufacturer. For the
1241 purposes of this subsection, the licensee must have a 75
1242 percent ownership or control of the brand or product received
1243 by the licensee.

1244 (d) The licensed premises must contain a distillery
1245 operation that encompasses no fewer than 5,000 square feet in
1246 one or more structures.

1247 (e) There is levied and assessed upon all liquor
1248 manufactured on the premises which is dispensed or sold at
1249 retail for on-premises or off-premises consumption, as well as
1250 samplings and tastings consumed as provided in this section,
1251 the mark up and the privilege or excise tax imposed on the
1252 retail sale of liquor in a state liquor store, in the same
1253 manner as if collected in a state liquor store. Taxes and mark
1254 up described in this subsection shall be remitted by the
1255 licensee to the board. The respective mark up and taxes
1256 collected shall be distributed, respectively, in the same
1257 manner as the mark up and taxes collected in an ABC liquor
1258 store.

1259 (f) (1) The tax levied in subsection (e) shall be
1260 collected by a return which shall be filed by the licensee



1261 with the board postmarked not later than the last day of the
1262 month following the month of production or sale of liquor,
1263 which shall be accompanied by the remittance of the tax due.
1264 The report shall include, but not be limited to, a
1265 consolidated report of all liquor manufactured, sold, or
1266 otherwise consumed on the licensed location. The report shall
1267 be in the form and containing information as the board may
1268 prescribe.

1269 (2) If a licensee fails to file any return required to
1270 be filed with the board on or before the date prescribed
1271 therefor, including any written extension of time granted by
1272 the board in advance, there shall be assessed as a penalty the
1273 greater of 10 percent of any additional tax required to be
1274 paid with the return or fifty dollars (\$50).

1275 (3) If a licensee fails to pay to the board the amount
1276 of the tax due on a return required to be filed on or before
1277 the date prescribed for payment of the tax, including any
1278 written extension of time granted by the board in advance,
1279 there shall be added as a penalty 10 percent of the unpaid
1280 amount due on the return.

1281 (4) Interest shall be added to any tax due to the board
1282 which is not paid by the due date, from the due date of the
1283 tax, computed based on the underpayment rate established by
1284 the Secretary of the Treasury under the authority of 26 U.S.C.
1285 § 6621.

1286 (g) An Educational Tourism Distillery licensee shall
1287 not sell any alcoholic beverages direct to any retailer.

1288 (h) An Educational Tourism Distillery licensee shall



1289 file with the board, prior to making any sales in Alabama, a
1290 list of its labels to be sold in Alabama and shall file with
1291 the board its federal certificate of label approvals or its
1292 certificates of exemption as required by the U.S. Treasury
1293 Department. All liquors whose labels have not been registered
1294 as herein provided for shall be considered contraband and may
1295 be seized by the board or its agents or by any peace officer
1296 of the State of Alabama without a warrant, and the goods shall
1297 be delivered to the board and disposed of as provided by law.

1298 (i) (1) An Educational Tourism Distillery licensee shall
1299 keep at its principal place of business within the state daily
1300 permanent records that show the quantities of raw materials
1301 received and used in the manufacture of liquor, and the
1302 quantities of alcoholic beverages manufactured and stored, the
1303 sale of alcoholic beverages, the quantities of alcoholic
1304 beverages stored for hire or transported for hire by or for
1305 the licensee, and the names and addresses of the purchasers or
1306 other recipients thereof.

1307 (2) An Educational Tourism Distillery licensee shall
1308 keep and maintain for a minimum of three years all records
1309 required to be kept and maintained at the licensed location by
1310 manufacturer, wholesaler, and retailer licensees for the tax
1311 so levied, except that the Educational Tourism Distillery is
1312 not required to maintain name, address, or other personal
1313 demographic information for sales as provided in subdivision
1314 (1).

1315 (j) An Educational Tourism Distillery licensee shall be
1316 subject to inspection by members of the board or by



1317 individuals authorized and designated by the board at any time
1318 of the day or night as they may deem necessary for the
1319 detection of violations of this chapter, of any law, or of the
1320 rules of the board, or for the purpose of ascertaining the
1321 correctness of the records required to be kept by the
1322 licensees. The books and records of licensees, at all times,
1323 shall be open to inspection by members of the board or by
1324 individuals authorized and designated by the board. Members of
1325 the board and its authorized agents, without hindrance, may
1326 enter any place that is subject to inspection hereunder or any
1327 place where records are kept for the purpose of making
1328 inspections and making transcripts thereof.

1329 (k) An Educational Tourism Distillery licensee may be
1330 certified in the Responsible Vendor Program.

1331 (l) A licensee shall post in each of its locations
1332 where alcoholic beverages are served at least one sign warning
1333 customers that the sale of alcoholic beverages to patrons
1334 under 21 years of age is strictly prohibited. The sign shall
1335 be posted at a point of sale or in any other location that is
1336 visible to customers and employees.

1337 (m) An Educational Tourism Distillery licensee shall
1338 maintain a surety bond of not less than twenty-five thousand
1339 dollars (\$25,000), payable to the board for any outstanding
1340 fine, penalty, or tax.

1341 (n) Upon approval of the board, a licensee shall be
1342 allowed one off-premises manufacturer extension location for
1343 the exclusive storage of finished and unfinished goods
1344 pursuant to this section:



1345 (1) A licensee shall provide documentation indicating
1346 approval from the Alcohol and Tobacco Tax and Trade Bureau for
1347 the extension. Prior to a manufacturer extension being issued
1348 in Alabama, the licensee must provide all of the following:

1349 a. Approval of the manufacturer extension from the
1350 Alcohol and Tobacco Tax and Trade Bureau.

1351 b. A lease, deed, or other document showing control of
1352 the property.

1353 c. A current, valid Educational Tourism Distillery
1354 license from the board.

1355 (2) The application for a manufacturing extension must
1356 be approved by the board prior to its use.

1357 (3) The manufacturer extension premises must be secured
1358 at all times.

1359 (4) The manufacturer extension premises may not be used
1360 for the exportation of products nor any form of distribution
1361 of products within Alabama.

1362 (5) Except where otherwise prohibited by federal or
1363 state law, a licensee may obtain a manufacturer extension for
1364 a building located 10 miles or less from the original licensed
1365 premises. A manufacturer extension is prohibited outside the
1366 State of Alabama.



1373 adjacent to, or part of the curtilage thereof, whether used as
1374 a private dwelling or not, at any time.

1375 (7) No sales, sampling, or tastings of any alcoholic
1376 beverage shall be allowed at the manufacturer extension
1377 premises.

1378 (8) A licensee under this section which is issued a
1379 manufacturer extension shall maintain all records related to
1380 the disposition of the finished or unfinished goods stored in
1381 the extension, as applicable.

1382 (9) The finished and unfinished goods may be
1383 transported in bond from the licensed premises to the
1384 manufacturer extension location for storage, as applicable.
1385 Transportation shall be made by the licensee or employee of
1386 the same in a vehicle bearing signage on each side identifying
1387 the licensee. A current copy of the manufacturer extension and
1388 the bill of lading or other documentary evidence of ownership
1389 of the product shall be included on board the transportation
1390 vehicle."

1391 "§28-3A-19.2

1392 (a) Upon an applicant's compliance with this chapter
1393 and rules adopted thereunder and payment of the government
1394 venue license fee as established in Section 28-3A-21, the
1395 board shall issue a government venue license to a person for
1396 such period of time and upon such terms and conditions as the
1397 board may prescribe. A government venue license authorizes the
1398 licensee to purchase liquor and wine from the board and table
1399 wine, mixed spirit beverages, and beer from any wholesale
1400 licensee and to sell at retail and dispense for on-premises



1401 consumption alcoholic beverages at a location on property
1402 owned or leased by the state or a political subdivision of the
1403 state. Locations may include, but are not limited to, civic
1404 centers and community event spaces; concert centers,
1405 amphitheaters, and music halls; convention centers and
1406 exhibition halls; government owned stadiums and sports
1407 complexes; or historic properties, parks, fairgrounds, or
1408 other outdoor spaces.

1409 (b) The government venue license is a special retail
1410 license, and selling and dispensing of alcoholic beverages
1411 shall be restricted to an occasional use basis. For the
1412 purposes of this section, "occasional use basis" refers to a
1413 location where alcoholic beverages are sold and dispensed at
1414 individual events that may be open to the public or restricted
1415 to private parties. The term excludes locations where
1416 alcoholic beverages are dispensed and served to the public
1417 during continual business hours on a regular schedule.

1418 (c) Any holder of a special retail license under
1419 Section 28-3A-19 may convert the license to a government venue
1420 license no later than September 30, 2026; provided, all
1421 requirements for issuance of a government venue license are
1422 met."

1423 "§28-3A-20.5

1424 (a) Upon an eligible applicant's compliance with this
1425 chapter and rules adopted thereunder and payment of the event
1426 storage license fee as established in Section 28-3A-21 the
1427 board, on and after January 1, 2026, shall issue an event
1428 storage license to a person for such period of time not to



1429 exceed one year and upon such terms and conditions as the
1430 board may prescribe. An event storage license authorizes the
1431 licensee to purchase and store alcoholic beverages at one
1432 designated location and transfer alcoholic beverages as needed
1433 to special event venues where the licensee holds the
1434 appropriate special event license under the same Federal
1435 Employer Identification Number.

1436 (b) Notwithstanding Section 28-3-4, only the holder of
1437 one or more of the following special event licenses shall be
1438 eligible to make application for and hold an event storage
1439 license:

1440 (1) A special events retail license.
1441 (2) A nonprofit special events retail license.
1442 (3) A special retail license for 30 days or less.
1443 (4) A government venue license.

1444 (c) An event storage license authorizes a licensee to:

1445 (1) Store alcoholic beverages, when not at a special
1446 event venue, at the storage location;
1447 (2) Arrange delivery of alcoholic beverages purchased
1448 from the board or a wholesale licensee directly to the
1449 licensee's storage location or directly to a special event
1450 license venue; and

1451 (3) Transfer alcoholic beverages between the storage
1452 location and a special event venue. Alcoholic beverages
1453 returned from a special event venue to the storage location
1454 may then be transferred to another special event venue, but a
1455 licensee may not transfer alcoholic beverages directly from
1456 one special event venue to another special event venue without



1457 first returning the alcoholic beverages to the storage
1458 location.

1459 (d) (1) The holder of an event storage license may only
1460 purchase beer, mixed spirit beverages, and table wine from a
1461 licensed wholesaler that maintains the appropriate franchise
1462 for the brand purchased in the area applicable to the storage
1463 location. The holder of an event storage license may only
1464 purchase liquor from the board wholesale.

1465 (2) The holder of an event storage license may purchase
1466 alcoholic beverages under one of the special events licenses
1467 listed in subsection (b) which is issued to the holder;
1468 ~~provided~~, the purchase is may be made only from a vendor
1469 permitted under the special events license and ~~that~~ any
1470 remaining alcoholic beverages purchased are to be returned to
1471 the storage location.

1472 (e) The holder of an event storage license may apply
1473 for and hold up to three such licenses, each of which permits
1474 one designated storage location, provided:

1475 (1) All storage locations are situated at least 100
1476 miles from one another; and

1477 (2) Alcoholic beverages may not be transferred between
1478 storage locations.

1479 (f) The storage location facility must:

1480 (1) Be secured at all times with locked access when not
1481 in use;

1482 (2) Use an access control system to monitor and
1483 restrict entry to authorized individuals only;

1484 (3) Be temperature controlled as appropriate for the

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1485 types of alcoholic beverages stored; and

1486 (4) Comply with local zoning and building codes.

1487 (g) An event storage licensee shall track all alcoholic
1488 beverage transfers, on a form prescribed by the board, which
1489 shall include, but not be limited to, all of the following
1490 information:

1491 (1) The name under which the event storage license is
1492 issued.

1493 (2) The event storage license number.

1494 (3) The date of the transfer.

1495 (4) The type of alcoholic beverage, the brand name, and
1496 the quantity transferred.

1497 (5) The destination of the transfer, identified by
1498 location, special event license type, and number.

1499 (6) If the destination of the transfer is the return of
1500 alcoholic beverages from a special event venue to a storage
1501 location, the type of alcoholic beverage, the brand, and the
1502 quantity returned.

1503 (7) A signed certification that the transfer is in
1504 compliance with this section and board rules.

1505 (h) (1) An event storage licensee shall maintain for a
1506 period of three years records of all alcoholic beverages
1507 purchased, stored, transferred, and sold in accordance with
1508 rules adopted by the board. These records may be maintained in
1509 an electronic format so long as the records may be promptly
1510 provided in a readable format upon request by the board.

1511 (2) All invoices, transfer logs, and other records of
1512 an event storage licensee shall be subject to inspection by



1513 members of the board or by agents authorized and designated by
1514 the board at any time during the normal business hours
1515 established by the licensee.

1516 (3) Inspection by the board or by agents authorized and
1517 designated by the board may:

1518 a. Include a search by law enforcement officers with
1519 jurisdiction if the circumstances require; and

1520 b. Extend to other buildings attached or adjacent to
1521 the storage location, including a dwelling.

1522 (i) (1) If a discrepancy is discovered during an
1523 inspection or audit, the board may issue a compliance warning,
1524 require immediate corrective action, or issue a citation.

1525 (2) Reoccurring discrepancies discovered by audit or
1526 inspection may be considered a violation pursuant to rules
1527 adopted by the board.

1528 (3) The board may assess a civil fine of no more than
1529 one thousand dollars (\$1,000) for each occurrence that is a
1530 violation of this chapter and may revoke the license.

1531 (j) The board shall adopt rules to implement this
1532 section."

1533 Section 8. Section 28-3A-27 is added to the Code of
1534 Alabama 1975, to read as follows:

1535 §28-3A-27

1536 (a) A person that is issued a limited mixed spirit
1537 beverage expanded retail license pursuant to this chapter
1538 which sells, attempts to sell, furnishes, or otherwise
1539 provides a mixed spirit beverage to an individual who is less
1540 than 21 years of age shall be subject to the following



1541 penalties:

1542 (1) For a first offense, the board shall prohibit the
1543 the sale of mixed spirit beverages for 30 days at the licensed
1544 premises where the violation occurred.

1545 (2) For a second offense within the same 18-month
1546 period, the board shall suspend the sale of any alcoholic
1547 beverage at the premises covered by the license for 90 days.

1548 (3) For a third offense within the same 18-month
1549 period, the board shall revoke all licenses to sell alcoholic
1550 beverages and tobacco products covering the premises where the
1551 violation occurred for a 24-month period.

1552 (b) The board shall publish a list identifying any
1553 retailer, by licensed premises, which violates this section.
1554 Upon notification by the board and confirmed receipt by a
1555 wholesaler, the wholesaler shall terminate sales or
1556 distribution to the retailer according to the terms of the
1557 board's order.

1558 Section 9. Chapter 8B, commencing with Section 28-8B-1,
1559 is added to Title 28 of the Code of Alabama 1975, to read as
1560 follows:

1561 §28-8B-1

1562 (a) The Legislature hereby finds and declares that this
1563 chapter is enacted pursuant to the authority granted to the
1564 state under the Twenty-First Amendment to the United States
1565 Constitution, the powers reserved to the state under the Tenth
1566 Amendment to the United States Constitution, and the inherent
1567 powers of the state under the Constitution of Alabama of 2022,
1568 in order to regulate the traffic of alcoholic beverages and to



1569 substitute the regulations and oversight established in this
1570 chapter for the application of federal and state antitrust
1571 laws that otherwise would apply to any potential
1572 anti-competitive effects of this title. For the avoidance of
1573 doubt, the intent of the Legislature is to maintain the
1574 uniform three-tier system of control over the sale, purchase,
1575 taxation, transportation, manufacture, consumption, and
1576 possession of alcoholic beverages in the state to promote the
1577 health, safety, and welfare of residents of this state by,
1578 among other purposes, ensuring the state shall be able to
1579 register, audit, inspect, seize, recall, and test alcoholic
1580 beverages shipped into, distributed, and sold throughout this
1581 state; and this expression of the policy and intent of the
1582 Legislature is intended to satisfy the clear articulation test
1583 for state action immunity as has been established by the
1584 United States Supreme Court in *California Retail Liquor*
1585 *Dealers Assn. v. Midcal Aluminum, Inc., et al.*

1586 (b) If any provision of this chapter, or its
1587 application to any person or circumstance, is determined by a
1588 court to be invalid or unconstitutional, that provision shall
1589 be stricken and the remaining provisions shall be construed in
1590 accordance with the intent of the Legislature to further limit
1591 rather than expand commerce in alcoholic beverages, including
1592 by prohibiting any commerce in alcoholic beverages not
1593 expressly authorized, and to enhance strict regulatory control
1594 over taxation, distribution, and sale of alcoholic beverages
1595 through the existing uniform system of regulation of alcoholic
1596 beverages.



1597 §28-8B-2

1598 (a) This chapter applies only to mixed spirit beverages
1599 and does not apply to regulation of beer or wine franchises.

1600 (b) Nothing in this chapter shall be deemed to repeal
1601 or amend any existing beer or wine franchise laws. This
1602 chapter is intended to address mixed spirit beverages and to
1603 leave in effect and unchanged any local or state franchise
1604 laws existing on the effective date of this act.

1605 §28-8B-3

1606 (a) Each supplier of mixed spirit beverages licensed by
1607 the board to sell its mixed spirit beverages within the State
1608 of Alabama shall sell its mixed spirit beverages only through
1609 wholesaler licensees of the board and shall grant in writing
1610 to each of its wholesalers a distribution agreement which
1611 contains the wholesaler's exclusive sales territory for the
1612 distribution of the supplier's designated brand in accordance
1613 with Chapter 8.

1614 (b) A licensed retailer may not purchase mixed spirit
1615 beverages from any entity other than the licensed wholesaler
1616 designated by the manufacturer of the mixed spirit beverages.

1617 §28-8B-4

1618 (a) For the purposes of this chapter, the following
1619 terms have the following meanings:

1620 (1) DISTRIBUTION AGREEMENT. Any written and signed
1621 agreement between a wholesaler and a supplier, whereby a
1622 wholesaler is granted the right to purchase and sell a brand
1623 of mixed spirit beverages sold by a supplier.

1624 (2) FAIR MARKET VALUE. An amount equal to a multiple of



1625 the wholesaler's gross profit on the wholesaler's sales of the
1626 supplier's products in the 12-month period immediately
1627 preceding the date of the notice of termination or non-renewal
1628 by supplier.

1629 (3) GOOD CAUSE. A material breach by the wholesaler of
1630 an essential element in a distribution agreement with a
1631 supplier which is uncured or which reoccurs three or more
1632 times.

1633 (4) GROSS PROFIT. The wholesaler's selling price, net
1634 of promotions, discounts, allowances, and freight, of the
1635 products sold during such 12-month period, less the
1636 wholesaler's cost to purchase the products from the supplier,
1637 net of any discounts, promotions, and allowances from the
1638 supplier.

1639 (b) Upon a supplier's termination or non-renewal of a
1640 distribution agreement with a wholesaler, except where
1641 termination or non-renewal is for good cause, the supplier
1642 shall pay the wholesaler reasonable compensation in an amount
1643 equal to the fair market value of the wholesaler's business
1644 attributable to the supplier's portfolio, including the value
1645 of the distribution rights, current saleable inventory,
1646 goodwill, and other relevant assets.

1647 (c) The supplier and wholesaler shall have 30 days
1648 following receipt of the supplier's notice of termination or
1649 non-renewal to agree upon a multiple of gross profit in
1650 determining fair market value. Following the notice of
1651 termination or non-renewal, but prior to determination of the
1652 fair market value of the supplier's portfolio, the supplier

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1653 and wholesaler shall each continue to operate in good faith in
1654 the regular course of the business relationship.

1655 (d) (1) In determining fair market value, in the event
1656 that supplier and wholesaler cannot agree upon the multiple of
1657 gross profit after 30 days, the parties shall then have 10
1658 business days to each appoint, at their own cost, an
1659 independent third-party appraiser with demonstrable experience
1660 in valuating alcoholic beverage distribution rights. Each
1661 party's independent appraiser, within 30 days, shall submit in
1662 writing the fair market value appraisal of the supplier's
1663 portfolio, including disclosing the multiple of gross profit
1664 used to arrive at the valuation.

1665 (2) If the independent appraisers' valuations of the
1666 supplier's portfolio are within 10 percent of each other, the
1667 fair market value shall be the average of the two valuations.

1668 (3) If the independent appraisers' valuations are not
1669 within 10 percent of each other, a third independent appraiser
1670 with experience in valuating alcoholic beverage distribution
1671 rights shall be retained by mutual agreement of the parties
1672 within 10 business days to assess the fair market value, and
1673 the fair market value shall be submitted in writing by the
1674 third independent appraiser within 30 days. The cost of the
1675 third independent appraiser shall be shared equally by the
1676 parties. The fair market value shall then be the average of:
1677 (i) the third independent appraiser's valuation; and (ii) the
1678 average of the first two valuations.

1679 (e) The supplier shall have no more than seven business
1680 days after the determination of fair market value within which

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1681 to remit payment of reasonable compensation to the wholesaler.

1682 Section 10. If any provision of this act, or its
1683 application to any person or circumstance, is determined by a
1684 court to be invalid or unconstitutional, that provision shall
1685 be stricken and the remaining provisions shall be construed in
1686 accordance with the intent of the Legislature to further limit
1687 rather than expand commerce in alcoholic beverages, including
1688 by prohibiting any commerce in alcoholic beverages not
1689 expressly authorized, and to enhance strict regulatory control
1690 over taxation, distribution, and sale of alcoholic beverages
1691 through the existing uniform system of regulation of alcoholic
1692 beverages.

1693 Section 11. This act shall become effective immediately
1694 upon approval by the Governor.