

1 SB260  
2 180760-4  
3 By Senators Orr and Sanford  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 28-FEB-17

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: Under existing law, liquor wholesale  
9 licensees may sell liquor at wholesale to the  
10 Alabama Alcoholic Beverage Control Board or as  
11 authorized by the board, but not other than to a  
12 retail licensee of the board. Under existing law,  
13 state liquor stores operated by the Alabama  
14 Alcoholic Beverage Control Board and certain  
15 licensed private retail stores may sell liquor at  
16 retail. Under existing law, retail licensees of the  
17 board must purchase liquor from the board for  
18 resale.

19 This bill would require the Alabama  
20 Alcoholic Beverage Control Board to phase out  
21 retail sale of alcoholic beverages by the board  
22 prior to October 1, 2022, but continue all other  
23 functions prescribed by law; require the board to  
24 obtain the best available price for fixed assets,  
25 equipment, and property; and require the Department  
26 of Economic and Community Affairs to provide  
27 certain technical assistance.

1                   This bill would create a special fund into  
2                   which proceeds from the sale of fixed assets,  
3                   equipment, and property would be deposited and  
4                   provide that moneys in the fund shall be  
5                   appropriated annually to pay phase-out costs,  
6                   including employee benefits.

7                   This bill would require the Alabama Law  
8                   Enforcement Agency to control all enforcement  
9                   operations of the board.

10                  This bill would establish an application,  
11                  review, appeal, and investigation process for  
12                  licensees.

13                  This bill would provide for the sale,  
14                  transfer, and surrender of licenses; provide that  
15                  persons possessing the authority to sell liquor for  
16                  off-premises consumption on the date of the  
17                  introduction of this bill may continue to operate  
18                  according to the existing license; and prohibit all  
19                  other persons from selling liquor for off-premises  
20                  consumption.

21                  This bill would not allow retail licensees  
22                  to sell liquor below retail cost; and would allow  
23                  retail licensees to purchase a limited amount of  
24                  product from another retailer.

25                  This bill would provide for the markup on  
26                  all alcohol sold by the board; provide for the  
27                  distribution of proceeds; provide that liquor sold

1 by the board shall be subject to existing taxes;  
2 provide for the redistribution of certain tax  
3 proceeds; provide for the reallocation of a portion  
4 of the proceeds of existing taxes on table wine;  
5 and provide for the distribution of local sales  
6 taxes on the sale of liquor by retail licensees.

7 This bill would require the board to  
8 implement a hiring freeze of certain employees; and  
9 grant certain benefits to displaced employees,  
10 including additional consideration for staffing  
11 retail operations during the phase-out.

12 This bill would levy a fee for a retail  
13 license and allow for a fee increase for licenses  
14 issued by the board.

15 This bill would create the Retailer Advisory  
16 Committee and would require the committee to review  
17 product selection decisions of the board and report  
18 irregularities and violations to the Attorney  
19 General and the State Ethics Commission; advise the  
20 board on distribution, warehousing and licensee  
21 policies; and provide for the selection and  
22 appointment of an ex officio, nonvoting member to  
23 the board.

24 This bill would provide for the distribution  
25 of certain payments delayed for inventory purposes;  
26 and permit the board to enter contracts for certain  
27 warehousing functions.

1  
2 A BILL  
3 TO BE ENTITLED  
4 AN ACT

5  
6 To amend Sections 28-1-4, 28-2-22, 28-3-40, 28-3-43,  
7 28-3-53.1, 28-3-53.2, 28-3-202, 28-3-205, 28-3-207, 28-3-241,  
8 28-3A-11, 28-3A-12, 28-3A-19, 28-3A-21, 28-3A-22, and 28-7-16  
9 of the Code of Alabama 1975, regarding the sale of alcoholic  
10 beverages and the Alabama Alcoholic Beverage Control Board;  
11 requiring the Alabama Alcoholic Beverage Control Board to  
12 phase out operations concerning the retail sale of alcoholic  
13 beverages and granting these privileges to licensees of the  
14 board; granting certain powers to the board to facilitate the  
15 phase-out process, including the establishment of a fund from  
16 which certain moneys may be expended for phase-out costs;  
17 establishing application requirements for retail licensees and  
18 identifying licensee qualifications and disqualifications;  
19 providing for annual retail license fees and annual renewal of  
20 retail licenses; providing that license fees may be increased  
21 by the board; requiring approval for the sale, assignment, or  
22 transfer of retail licenses and for the surrender of retail  
23 licenses; providing that certain existing retail licensees of  
24 the board may continue to sell liquor for off-premises  
25 consumption and prohibiting the sale or transfer of these  
26 licenses; providing for the markup on alcohol sales and the  
27 distribution of proceeds; providing for the reallocation of

1 the proceeds of the tax on table wine; providing certain  
2 consideration, treatment, and benefits for displaced  
3 employees; providing for license fees for retail licensees;  
4 specifying the remaining functions of the board; creating the  
5 Retailer Advisory Committee and prescribing its duties;  
6 providing for the distribution of certain payments delayed for  
7 inventory purposes; permitting the board to enter into  
8 contracts for warehousing functions; and repealing Sections  
9 28-3-74, and 28-3-280 through 28-3-286 of the Code of Alabama  
10 1975.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. For the purposes of this act, the  
13 following terms have the following meanings unless the context  
14 clearly indicates otherwise:

15 (1) APPLICANT. A person who applies for a retail  
16 license or who seeks the approval of the board to purchase or  
17 otherwise acquire a retail license from a retail licensee in  
18 accordance with this act.

19 (2) APPLICATION. The form prescribed by the board  
20 and filed with the board by a person applying for a retail  
21 license.

22 (3) BOARD. The Alabama Alcoholic Beverage Control  
23 Board.

24 (4) RETAIL LICENSE. A retail license permitting the  
25 purchase of liquor from the board and the retail sale of the  
26 liquor in original unopened containers for off-premises  
27 consumption.

1           (5) EXECUTIVE OFFICER. The president of an applicant  
2 or retail licensee, a vice-president of an applicant or retail  
3 licensee in charge of a principal business unit or division,  
4 or any other officer of an applicant or retail licensee who  
5 performs a policy-making function.

6           (6) LIQUOR. The definition prescribed in Section  
7 28-3-1 of the Code of Alabama 1975.

8           (7) PERSON. A natural person, corporation,  
9 partnership, association, or other type of business  
10 organization.

11           (8) RETAIL LICENSEE. The holder of a retail license.

12           (9) RETAIL OUTLET. A specific location where liquor  
13 may be lawfully sold by a retail licensee under this act.

14           Section 2. (a) The Alabama Alcoholic Beverage  
15 Control Board shall phase out the retail sale of alcoholic  
16 beverages prior to October 1, 2022, and shall by that date  
17 close all state operated liquor stores and all retail  
18 operations and functions. The phase out shall be on a staggered  
19 basis as determined by the Alabama Alcoholic Beverage Control  
20 Board based on the following factors in order of priority: (1)  
21 the lease end date; (2) profitability; and (3) the proximity  
22 of surrounding state operated liquor stores. At least twenty  
23 percent of state operated liquor stores shall be closed by  
24 October 1 of each year beginning October 1, 2018.

25           (b) (1) Notwithstanding Article 6 (commencing with  
26 Section 41-16-120) of Chapter 16 of Title 41, Code of Alabama  
27 1975, or any other law, the board, prior to October 1, 2022,

1 shall sell, liquidate, transfer, and dispose of all fixed  
2 assets, equipment, and property of state operated liquor  
3 stores and retail operations of the board. Any fixed assets,  
4 equipment, and property not sold by the board by October 1,  
5 2022, shall be sold by the board as soon as possible.

6 (2) The board shall obtain the best available price  
7 for the fixed assets, equipment, and property.

8 (3) The Department of Economic and Community Affairs  
9 shall provide technical assistance to the board in performing  
10 the functions required by this section relating to the  
11 disposal of fixed assets, equipment, and property.

12 (4) When the board closes a state operated liquor  
13 store, the inventory remaining in the store shall be disposed  
14 of in one of the following manners:

15 a. transferred directly to another state operated  
16 liquor store if financially advantageous to the state.

17 b. returned to the warehouse of the board or the  
18 warehouse operated for the board.

19 c. sold to a licensee of the board at a reasonable  
20 price, including a discounted price, if this method of  
21 disposition is the most financially advantageous to the state.  
22 The proceeds of the sale of inventory in this manner shall be  
23 treated the same as the proceeds of the sale of liquor.

24 Section 3. (a) The Alcoholic Beverage Control Board  
25 Retail Phase-Out Fund is created in the State Treasury. The  
26 board shall deposit all proceeds from the sale of fixed  
27 assets, equipment, and property into the fund.



1 (b) The moneys in the fund shall be appropriated  
2 annually to pay expenses directly related to the closing of  
3 state operated liquor stores and retail operations, including,  
4 but not limited to, the payment of all employee costs  
5 associated with the phase-out of retail operations of the  
6 board. Moneys in the fund shall be allocated by warrants drawn  
7 on the State Comptroller upon requisition signed by the  
8 members of the board. If at any time there are insufficient  
9 funds to pay these expenses, the board shall pay the expenses  
10 from other funds appropriated to the board. When sufficient  
11 funds are in the Alcoholic Beverage Control Board Retail  
12 Phase-Out Fund, the board shall be repaid from the fund for  
13 the amounts expended.

14 (c) Any remaining moneys in the fund after all  
15 qualified expenses have been paid shall be transferred into  
16 the State General Fund.

17 Section 4. (a) The board shall terminate all leases  
18 associated with state operated liquor stores and retail  
19 operations as these stores and operations are closed. The  
20 board shall not enter into a lease as the lessee in regard to  
21 any property, building, or facility used for retail operations  
22 of the board. The board shall assist lessors of existing state  
23 operated liquor stores in arranging lease agreements with  
24 licensees of the board.

25 (b) Neither the board nor a public officer,  
26 including, but not limited to, the Governor, shall have the  
27 authority to perform any of the following functions; and any

1 provision or portion of the Alabama Alcoholic Beverage Control  
2 Act, Title 28 (commencing with Section 28-1-1) of the Code of  
3 Alabama 1975 or other law granting such authority is  
4 considered repealed:

5 (1) Execute, by action or lack of action, any  
6 provision of an existing lease relating to state operated  
7 liquor stores or retail operations of the board which would  
8 renew or extend the term of the lease or incur a new  
9 obligation upon the board or the state.

10 (2) Execute an extension or renewal of an existing  
11 lease relating to state operated liquor stores or retail  
12 operations of the board.

13 (3) Execute a new lease relating to state operated  
14 liquor stores or retail operations of the board.

15 (c) The board shall accept and enforce any option  
16 included in an existing lease relating to state operated  
17 liquor stores or retail operations permitting termination of  
18 the lease, including, but not limited to, any of the  
19 following:

20 (1) Options permitting the board to terminate a  
21 lease if certain existing law or provisions therein are  
22 repealed.

23 (2) Options permitting the termination of the lease  
24 if the Legislature fails to appropriate sufficient funds for  
25 the board to make rental payments.

26 (3) Options permitting the termination of a lease if  
27 the lease constitutes a debt of the state in violation of

1 Section 213 of the Official Recompilation of the Constitution  
2 of Alabama of 1901, as amended.

3 Section 5. The board shall have all the following  
4 duties:

5 (1) Prescribe application forms for persons desiring  
6 to acquire retail licenses and adopt an orderly procedure and  
7 timetable for investigating, processing, and approving  
8 applications.

9 (2) Develop a retail license to be issued to each  
10 retail licensee under this act.

11 (3) Disseminate information relating to the issuance  
12 of retail licenses to the public.

13 (4) Enforce the provisions of this act.

14 (5) Adopt, amend, or repeal rules of the board to  
15 conform with the requirements of this act. These rules shall  
16 be adopted, amended, and repealed in accordance with the  
17 Administrative Procedure Act, Chapter 22 (commencing with  
18 Section 41-22-1) of Title 41 of the Code of Alabama 1975.

19 Section 6. (a) Each applicant shall file an  
20 application with the board, stating under oath each of the  
21 following:

22 (1) If the applicant is an individual, his or her  
23 name and residence address.

24 (2) If the applicant is a corporation, limited  
25 partnership, partnership, association, or other business  
26 organization, the name and business address of the applicant;  
27 the state of its incorporation or organization; the names and

1 residence addresses of each executive officer, director, or  
2 general partner of the entity; and the names and residence  
3 addresses of any person owning, directly or indirectly, at  
4 least 20 percent of the outstanding stock of or partnership  
5 interests in the applicant.

6 (3) If the applicant holds any licenses, the number  
7 currently held, and the number of retail outlets owned.

8 (b) An applicant shall provide the board any  
9 additional information requested.

10 (c) Whenever a change occurs in information provided  
11 to the board, including, but not limited to, information  
12 concerning a criminal conviction, the change shall immediately  
13 be reported to the board in the same manner as originally  
14 provided.

15 (d) No applicant shall be eligible to hold or issued  
16 at any time a retail license under this act in either of the  
17 following instances:

18 (1) The applicant has been convicted in this state,  
19 in any other state, or in any federal court of a felony.

20 (2) An executive officer, director, or general  
21 partner of the applicant, or a person owning, directly or  
22 indirectly, at least 20 percent of the outstanding stock of or  
23 partnership interests in the applicant, has been convicted in  
24 this state, in any other state, or in any federal court of a  
25 felony. Prior to revoking a license under this subsection, the  
26 board shall give the executive officer, director, general  
27 partner, or owner of stock or partnership interest who has

1       been convicted of such a crime a reasonable time to vacate the  
2       position or sell their interests. If the position is vacated  
3       or the interest is sold to a person approved by the board  
4       within that time period, the entity may continue to hold the  
5       license.

6               Section 7. (a) Upon receipt of an application for a  
7       retail license and such supplemental information as the board  
8       may require, the board shall conduct an investigation of an  
9       applicant.

10              (b) Upon the completion of the investigation of an  
11       applicant, the board shall inform the applicant in writing  
12       whether the application has been approved or denied, and shall  
13       post a copy of the decision in the office of the board.

14              (c) When an application is denied, the board shall  
15       provide the applicant the reasons for the denial, including  
16       specific findings of fact, and the applicant shall be entitled  
17       to a hearing before the board as provided in Section 28-3A-24  
18       of the Code of Alabama 1975.

19              (d) An applicant shall provide all information  
20       required by this act in the form specified by the board and  
21       shall satisfy all requests for information pertaining to  
22       qualifications. By filing an application, an applicant shall  
23       waive any liability of the board for any damages resulting  
24       from a disclosure or publication of any material or  
25       information acquired during inquiries, investigations, or  
26       hearings unless the board acted in an unreasonable or reckless  
27       manner.

1           Section 8. Any person who gives a person any thing  
2 of value to induce the other to refrain from operating an  
3 outlet authorized under a retail license is guilty of a  
4 misdemeanor and, upon conviction, shall be fined not more than  
5 ten thousand dollars (\$10,000); and, in addition, shall be  
6 subject to a civil penalty payable to the commissioner of not  
7 more than one million dollars (\$1,000,000).

8           Section 9. (a) The annual retail license period  
9 shall be from October 1 to September 30. The annual retail  
10 license fee for a retail license shall be the sum specified in  
11 Section 28-3A-21 of the Code of Alabama 1975. The annual  
12 retail license fee for the initial year of issuance shall be  
13 prorated based on the number of days remaining between the  
14 date of issuance and the following September 30.

15           (b) All retail licenses shall expire on September 30  
16 of each year and may be renewed only upon submission to the  
17 board of the same information required for the issuance of the  
18 license and any additional information requested by the board.  
19 The information shall be submitted on forms and by the date  
20 prescribed by the board. The payment to the board of the  
21 applicable annual retail license fee shall accompany this  
22 information.

23           (c) The board may suspend or revoke a license in the  
24 manner prescribed by law. No person may sell liquor at a  
25 retail outlet if the retail license applicable to the outlet  
26 has been suspended, revoked, or expired. If a license has been  
27 revoked or has expired, the board shall proceed to issue the

1 retail license for the remaining license period to a new  
2 eligible licensee.

3 (d) If the area or a portion of the area in which a  
4 licensee prohibits the retail sale of liquor, the licensee  
5 shall not be permitted to sell liquor in that area or that  
6 portion of the area. If, within the license period, the area  
7 or the portion of the area subsequently permits the sale of  
8 liquor, the licensee may resume the retail sale of liquor as  
9 authorized by the license for the remaining license period. If  
10 a licensee is prohibited from selling liquor, the licensee  
11 shall not be entitled to a refund of any portion of the annual  
12 license fee.

13 Section 10. (a) No person may purchase or otherwise  
14 acquire a retail license unless the board has first approved  
15 the qualifications of the person to hold the retail license.

16 (b) No person may sell, assign, or otherwise  
17 transfer a retail license without the prior written approval  
18 of the board. In no instance shall a retail licensee that  
19 purchased a retail license for a closing state operated store  
20 transfer such license or purchase more than five such license  
21 at closing state operated stores within one year. For purposes  
22 of this section, the merger of a retail licensee or the sale  
23 of more than 50 percent of the outstanding stock or  
24 partnership interests in the retail licensee shall be deemed  
25 to be a sale, assignment, or transfer of a retail license. Any  
26 license sold, assigned, or transferred shall remain effective  
27 for the remainder of the license period.

1           Section 11. A retail licensee may surrender a retail  
2 license to the board at any time. The board may then proceed  
3 to issue the retail license for the remaining license period  
4 to a new eligible licensee.

5           Section 12. (a) In addition to the retail licensees  
6 provided for under this act, only existing licensees with the  
7 authority, on the date this act was introduced into the  
8 Legislature of Alabama, to sell liquor in the original  
9 unopened containers at retail for off-premises consumption may  
10 continue to sell liquor in the original unopened containers at  
11 retail for off-premises consumption according to the terms of  
12 the license on the date of issuance to the licensee.

13 Notwithstanding any other law, these licensees may annually  
14 renew this license with this privilege. Notwithstanding any  
15 other law, these licensees may not sell or transfer the  
16 license.

17           (b) Retail licenses and those licenses referred to  
18 in subsection (a) shall be the only types of licenses issued  
19 by the board authorizing the sale of liquor in original  
20 unopened containers at retail for off-premises consumption.

21           (c) A retail licensee or any other person may sell  
22 beer and table wine upon obtaining the proper license as  
23 presently required by law.

24           Section 13. No retail licensee shall sell spirituous  
25 or vinous liquor at a price below retail cost plus freight.



1           Section 14. A retail licensee may sell alcoholic  
2 beverages to another licensee for purposes of resale in an  
3 amount not to exceed two case lots per customer per day.

4           Section 15. Alcohol sold at retail in stores  
5 operated by the Alabama Alcoholic Beverage Control Board prior  
6 to October 1, 2022 shall be subject to the tax and markup  
7 presently provided by law and the proceeds of that tax shall  
8 be distributed as presently provided by law. Alcohol sold by  
9 the board after retail stores have been phased-out shall be  
10 subject to the markup provided in Section 28-3-53.2.

11           Section 16. (a) (1) This act shall not be construed  
12 to prohibit a municipality from collecting municipal sales  
13 taxes on liquor sold by any retail licensee of the board,  
14 including, but not limited to, a retail licensee at the same  
15 rate levied by the municipality on the sales of other tangible  
16 property.

17           (2) If a local law allocated a portion of sales tax  
18 proceeds received by the municipality, pursuant to Section  
19 28-3-280 to Section 28-3-286, inclusive, Code of Alabama 1975,  
20 the same amount of sales tax proceeds received by the  
21 municipality in the base year from sales taxes on the sale of  
22 liquor in original unopened containers by licensees of the  
23 board for off-premises consumption shall be allocated in the  
24 same manner at the same intervals by the municipality until  
25 otherwise provided by local law. The remaining amounts  
26 collected by the municipality shall be distributed as provided  
27 by general or local law.

1           (3) For the purposes of this subsection, the last  
2 full state tax year prior to the effective date of this act  
3 shall be referred to as the base year.

4           (b) (1) This act shall not be construed to prohibit a  
5 county that is authorized to levy a sales tax, in addition to  
6 the tax authorized by Section 40-12-4 of the Code of Alabama  
7 1975, from collecting the county sales tax on the retail sale  
8 of liquor in original unopened containers for off-premises  
9 consumption by a licensee of the board at the same rate levied  
10 by the county on the sales of other tangible property. This  
11 act shall not be construed as granting this taxing authority  
12 to a county.

13           (2) If a local law allocated a portion of sales tax  
14 proceeds received by the county, pursuant to Section 28-3-280  
15 to Section 28-3-286, inclusive, Code of Alabama 1975, the same  
16 amount of sales tax proceeds received by the county on the  
17 sale of liquor in original unopened containers for  
18 off-premises consumption by a licensee of the board shall be  
19 allocated in the same manner at the same intervals by the  
20 county until otherwise provided by local law. The remaining  
21 amounts collected by the county shall be distributed as  
22 provided by general or local law.

23           (3) For the purposes of this subsection, the last  
24 full state tax year prior to the effective date of this act  
25 shall be referred to as the base year.

26           Section 17. (a) Upon the effective date of this act,  
27 the board shall implement a hiring freeze on the employment of

1 new employees for the board's retail operations. This hiring  
2 freeze shall continue until October 1, 2022. If an essential  
3 position must be filled during the hiring freeze, the board  
4 shall fill the position with a displaced retail employee, if  
5 the employee is qualified. If a displaced retail employee is  
6 determined unqualified for the essential position, the  
7 employee may request that the Director of the State Personnel  
8 Department determine if the employee is qualified. Upon  
9 request, the director shall make the determination and notify  
10 the employee and the board. If the director determines the  
11 employee is qualified, the board shall offer the position to  
12 the employee. If there are no displaced retail employees  
13 qualified to fill an essential position, the board may  
14 contract with an individual to fill the essential position  
15 during the hiring freeze. The employment contract shall not  
16 extend beyond September 30, 2022. The board shall fill  
17 nonessential positions with displaced employees of the retail  
18 operations of the board as provided in subsection (e).

19 (b) In order to ensure the efficient and effective  
20 operation of the retail operations of the board during the  
21 phase-out period, the state shall enter into contracts with  
22 employees involved in the retail operations of the board. For  
23 additional consideration tendered by these employees in  
24 agreeing to provide the necessary staffing of the retail  
25 operations during the phase-out period and until the date of  
26 termination of employment with the board, the state shall  
27 agree to pay the employee additional compensation in a lump

1 sum equivalent to three months of annual salary. Payment to  
2 these employees for the rendering of additional services shall  
3 be on the same date as payment of the final salary owed.  
4 Moneys in the fund established in Section 3 shall be used for  
5 these payments.

6 (c) The board shall locate displaced employees of a  
7 closed state operated liquor store in an open state operated  
8 liquor store requested by the employee, if feasible.

9 (d) The board may permit displaced employees of the  
10 retail operations to work part-time.

11 (e) The board shall permit displaced employees of  
12 the retail operations to transfer to other board operations,  
13 if feasible.

14 (f) Displaced employees of the retail operations of  
15 the board, subject to state law, may transfer to other  
16 positions within the State Personnel System and shall be given  
17 preference if qualified.

18 (g) Upon authorization of the State Personnel  
19 Director, a state Merit System employee who loses his or her  
20 job as a direct consequence of this act may be added to any  
21 certification for employment for any register on which the  
22 employee's name appears for a period of two years following  
23 his or her layoff date. An appointing authority who passes  
24 over such a displaced employee shall file in writing with the  
25 Director of the State Personnel Department the reason for  
26 passing over the displaced employee. The written reason shall

1 become a part of the file of the displaced employee, but shall  
2 only be available for review by the displaced employee.

3 (h) A licensee of the board who employs full-time,  
4 for a period of 12 consecutive months or longer, a displaced  
5 state Merit System employee of the board who lost his or her  
6 job as a direct consequence of this act, as determined by the  
7 Director of the State Personnel Department, shall be given a  
8 20 percent discount on license and permit fees collected by  
9 the board for each complete year the displaced employee is  
10 employed full-time. No licensee may receive a discount for  
11 more than five years. The board shall require necessary  
12 verification of such employment.

13 Section 18. The board shall continue to perform all  
14 other functions required by law, including, but not limited  
15 to, the wholesale sale of liquor, licensing, audit and  
16 collection.

17 Section 19. (a) The board shall readily supply to a  
18 licensee any liquor product requested by the licensee if the  
19 product conforms to the requirements of federal and state law  
20 and if the product is available to the board.

21 (b) The board shall negotiate the best possible  
22 purchase price for all liquor obtained by the board.

23 (c) The board shall sell liquor to a licensee at a  
24 price equal to the purchase price of the liquor negotiated by  
25 the board plus excise taxes, freight, and markup.

26 Section 20. (a) The Retailer Advisory Committee is  
27 established. The committee shall be composed of five members.

1 The President Pro Tempore of the Senate shall appoint two  
2 licensees, or an executive officer of the licensee, to the  
3 committee. The Speaker of the House of Representatives shall  
4 appoint two licensees, or the executive officer of a licensee,  
5 to the committee. The Governor shall appoint one resident of  
6 the state to the committee who shall represent the interests  
7 of consumers. Members of the committee shall serve at the  
8 pleasure of the appointing authority. Members shall serve  
9 until a successor is named and assumes the office.

10 (b) The membership of the committee shall be  
11 inclusive and reflect the racial, gender, geographic,  
12 urban/rural, and economic diversity of the state. The  
13 committee shall report annually to the Legislature by the  
14 second legislative day of each regular session the extent to  
15 which the appointing authorities have complied with the  
16 diversity provision of this act.

17 (c) The committee shall meet quarterly, and at other  
18 necessary times as determined by the committee. A majority of  
19 the members of the committee shall constitute a quorum. The  
20 board shall provide clerical and technical assistance to the  
21 committee and necessary office space.

22 (d) The committee shall review the policies and  
23 procedures of the board concerning the availability of the  
24 products offered to licensees of the board, distribution of  
25 products, warehousing of products, and licensees.

26 (e) The committee shall review prices charged by the  
27 board for products sold to licensees. The committee shall also

1 review any complaint filed with the board or the committee  
2 regarding the availability of liquor offered to licensees of  
3 the board, including, but not limited to, complaints regarding  
4 the failure of the board to readily supply requested liquor  
5 products as required by subsection (a) of Section 19. The  
6 members of the board and employees of the board shall supply  
7 the committee with all requested information regarding product  
8 selections, offerings, availabilities, and pricing.

9 (f) The committee shall select and appoint one  
10 member to the board to serve as one ex officio member of the  
11 board.

12 (g) Any irregularity or possible violation of law  
13 discovered by the committee concerning product selections,  
14 offerings, availability, pricing or any other violation shall  
15 be immediately reported by the committee to both of the  
16 following entities:

17 (1) The Attorney General, who shall take proper  
18 action to ensure the laws of the state are enforced.

19 (2) The State Ethics Commission. The report of the  
20 committee shall be in the form of a complaint, as required in  
21 Section 36-25-4 of the Code of Alabama 1975, so that the State  
22 Ethics Commission, pursuant to law, shall commence an  
23 investigation regarding the irregularity or possible violation  
24 of law.

25 Section 21. Sections 28-1-4, 28-2-22, 28-3-40,  
26 28-3-43, 28-3-53.1, 28-3-53.2, 28-3-202, 28-3-205, 28-3-207,  
27 28-3-241, 28-3A-11, 28-3A-12, 28-3A-19, 28-3A-21, 28-3A-22,

1 and 28-7-16 of the Code of Alabama 1975, are amended to read  
2 as follows:

3 "§28-1-4.

4 "(a) The words and phrases used in this section  
5 shall have the meanings ascribed to them in Section 28-3-1 and  
6 any acts amendatory thereof, supplementary thereto or  
7 substituted therefor.

8 "(b) It shall be unlawful for common or permit  
9 carriers, operators of trucks, buses, l or other conveyances or  
10 out-of-state manufacturers or suppliers to make delivery of  
11 any alcoholic beverage from without the State of Alabama to  
12 ~~any~~ a person, association, l or corporation within the state,  
13 except to the Alabama Alcoholic Beverage Control Board and to  
14 manufacturers, importers, wholesalers, l and warehouses, and  
15 other persons or entities licensed by the Alabama Alcoholic  
16 Beverage Control Board to receive the alcoholic beverages so  
17 delivered.

18 "(c) ~~Any~~ A violation of subsection (a) of this  
19 section shall be a misdemeanor, punishable as provided in  
20 paragraph (1) of subsection (b) of Section 28-3A-25.

21 ~~"(d) All laws or parts of law which conflict or are~~  
22 ~~inconsistent with this section are hereby repealed, provided,~~  
23 ~~however, the provisions of Section 28-1-3 are excluded.~~

24 "§28-2-22.

25 "(a) If the majority of the voters in ~~any~~ a county  
26 approve the sale and distribution of alcoholic beverages under  
27 this article as provided in Section 28-2-21, the sale of



1 alcoholic beverages in such county shall be governed by the  
2 following conditions:

3 "(1) Within 90 days after the affirmative vote of  
4 the voters of a county, each governing body of ~~any~~ an  
5 incorporated municipality within such county may vote to  
6 exclude the sale of alcoholic beverages within its limits as  
7 provided for in this article. If the governing body does not  
8 take such action 90 days after the affirmative election, ~~the~~  
9 ~~provisions of~~ this article shall apply for a period of 10  
10 years, after which the municipality shall again have 90 days  
11 to exclude ~~said~~ the municipality. Should a municipality choose  
12 to exclude the application of this article from its limits, it  
13 may, by its own action, include the municipality under the  
14 provisions of this article at any subsequent time for a period  
15 of 10 years and, after ~~said~~ the 10-year period, shall have 90  
16 days to continue or discontinue its applicability. A  
17 municipality may, within the 90-day period, submit the  
18 decision on the applicability of this article to its voters by  
19 a special election, ~~said~~ the election being binding on the  
20 governing body.

21 "(2) The governing body of ~~any~~ a county which has  
22 adopted the special method as provided in Section 28-2-21 may  
23 from time to time vote to exclude the sale of alcoholic  
24 beverages within all or any part of its unincorporated areas,  
25 but if a municipality annexes ~~any~~ an unincorporated area, that  
26 area shall be subject to the rules of the municipality with  
27 regard to the sale and distribution of alcoholic beverages.

1           "(3) Only nonrefrigerated malt beverages may be sold  
2 in any area in the county.

3           "(4) Spirituous or vinous liquors may only be sold  
4 at stores operated by the Alabama Alcoholic Beverage Control  
5 Board or as provided by general law.

6           "(5) Possession of alcoholic beverages in ~~any~~ an  
7 area in a county where their sale has not been legalized is  
8 prohibited.

9           "(6) The consumption of alcoholic beverages on the  
10 premises where sold or in ~~any~~ a public place is prohibited.

11           "(b) ~~Any~~ A person who violates ~~any provision of this~~  
12 section shall be deemed guilty of a misdemeanor.

13           "§28-3-40.

14           "The Alcoholic Beverage Control Board shall consist  
15 of ~~three~~ four persons, three of which shall be appointed by  
16 the Governor with the advice and consent of the Senate, one of  
17 whom shall be designated by the Governor to be the chairman of  
18 said board; and one which shall be appointed by the Retailer  
19 Advisory Committee and serve as an ex officio, nonvoting  
20 member.

21           "Each member of said board at the time of his  
22 appointment and qualification shall be a resident of the State  
23 of Alabama and shall have resided in said state for a period  
24 of at least 10 years next preceding his appointment and  
25 qualification, and he shall also be a qualified voter therein.

26           "The term of office of each member appointed shall  
27 be six years from the time of his appointment and

1 qualification and until his successor shall qualify. In case  
2 any member shall be allowed to hold over after the expiration  
3 of his term, his successor shall be appointed for the balance  
4 of the unexpired term. Vacancies in said board shall be filled  
5 by the Governor for the unexpired term. Each member shall be  
6 eligible for reappointment in the discretion of the Governor.

7 "No person shall be eligible for appointment or  
8 shall hold the office of member of the board or be appointed  
9 by the board or hold any office or position under the board  
10 who has any connection with any association, firm, person or  
11 corporation engaged in or conducting any alcoholic liquor  
12 business of any kind or who holds stocks or bonds therein or  
13 who has pecuniary interest therein, nor shall any such person  
14 receive any commission or profit whatsoever from, or have any  
15 interest whatsoever in any purchase or ~~sales~~ sale of any  
16 alcoholic liquors, except for the ex officio, nonvoting member  
17 appointed by the Retailer Advisory Committee; provided,  
18 however, that if any member of the board is appointed when the  
19 Senate is not in session, such member shall hold office until  
20 the Senate has had an opportunity to reject or confirm his  
21 appointment.

22 "Members of the board may be suspended or removed by  
23 the Governor at his pleasure.

24 "Each member of the board shall, before entering  
25 upon the discharge of his duties, give bond payable to the  
26 State of Alabama, in form approved by the Attorney General, in  
27 such penalty as shall be fixed from time to time by the

1 Governor, with some surety or guaranty company duly authorized  
2 to do business in Alabama and approved by the Governor, as  
3 security, conditioned upon the faithful discharge of his  
4 duties. The premium of such bond shall be paid by the state  
5 and the bonds shall be filed as bonds of other state officers.

6 "The office of the board shall be in the City of  
7 Montgomery, Alabama. The said board shall meet at such times  
8 within the City of Montgomery, Alabama, as the board shall  
9 determine and the members thereof shall be entitled to their  
10 reasonable expenses and per diem for each meeting so attended.  
11 A majority of the members shall constitute a quorum for the  
12 transaction of any business, for the performance of any duty  
13 or for the exercise of any power of the board.

14 "§28-3-43.

15 "(a) The functions, duties, and powers of the board  
16 shall be as follows:

17 "(1) To buy, manufacture, and sell at wholesale  
18 alcoholic beverages and to have alcoholic beverages in its  
19 possession for sale at wholesale, as defined and enumerated in  
20 this chapter and by general law, and to have alcoholic  
21 beverages in its possession for sale at retail at any time  
22 prior to October 1, 2022.

23 "(2) To control the possession, sale,  
24 transportation, and delivery of alcoholic beverages as  
25 enumerated and defined in this chapter and by general law.

26 "(3) To determine the localities within which ~~any a~~  
27 state operated liquor store ~~shall~~ may be ~~established and~~

1 operated and the location of ~~such~~ the state operated liquor  
2 store at any time prior to October 1, 2022. No state operated  
3 liquor store shall be established in and neither the board nor  
4 any other person may legally buy, manufacture, or sell  
5 alcoholic beverages in ~~any~~ a county which has voted in the  
6 negative in ~~any~~ an election called as provided in Chapter 2 of  
7 this title for determining the ~~said~~ issue unless and until  
8 ~~said~~ the county has at a subsequent similar election voted in  
9 the affirmative. The board shall have the power at any time  
10 prior to October 1, 2022, to ~~establish and~~ maintain state  
11 operated liquor stores for the sale of liquors as defined in  
12 this chapter, ~~provided, that municipalities~~. Municipalities  
13 may by proper zoning ordinances establish zones or districts  
14 within which ~~such~~ liquor stores may or may not be established,  
15 ~~provided further, that the~~. The number of state operated  
16 liquor stores in ~~any~~ a municipality shall be limited to two  
17 ~~such~~ stores for municipalities of 25,000 population or less  
18 according to the last or any subsequent federal census and, in  
19 municipalities having more than 25,000 population, such  
20 additional stores as the board, in its discretion, may  
21 determine.

22 "(4) To make provision for the maintenance of  
23 warehouses for alcoholic beverages and to control the delivery  
24 of alcoholic beverages to and from such warehouses and the  
25 keeping of the same therein. The board may, by competitive bid  
26 as provided in Chapter 16 of Title 41 of the Code of Alabama  
27 1975, enter into contracts with private entities for the

1 receipt, storage, delivery, or distribution, or any  
2 combination thereof, of alcoholic beverages held by the board.  
3 The board shall supervise and maintain control over the  
4 actions of a private contractor to ensure the laws of this  
5 state are properly enforced.

6 "(5) To operate distilleries and to manufacture  
7 alcoholic beverages if, in the opinion of the board, the  
8 purposes of this chapter can be thereby promoted. The price of  
9 all spiritous and vinous liquors dispensed by the board shall  
10 be fixed by the board as required by general law, and the  
11 location of state operated liquor stores shall not be adjacent  
12 to schools or churches or in a neighborhood which is  
13 exclusively residential. Neither the board nor ~~any~~ a state  
14 store operated by it shall in any manner advertise its wares  
15 for sale.

16 "(6) To appoint, subject to the provisions of the  
17 Merit System and other laws, every officer, agent, inspector,  
18 investigator, and employee, in accordance with the  
19 qualifications specifically set out in this chapter, required  
20 for the operation of the business of ~~said~~ the board, ;  
21 commission ~~such~~ the agents, inspectors, and or investigators as  
22 necessary to make arrests and execute search warrants and have  
23 the same authority as designated to peace officers ~~as now~~  
24 ~~authorized~~ by law, ; assign all employees their official  
25 positions and titles, define their respective duties and  
26 powers, require them ~~or any of them~~ to give bonds payable to  
27 the state in such penalty as shall be fixed by the board, ; and

1 engage the services of experts and persons engaged in the  
2 practice of a profession.

3 "(7) To control the manufacture, possession, sale,  
4 consumption, importation, use, and delivery of liquor,  
5 alcohol, and malt and brewed beverages in accordance with ~~the~~  
6 ~~provisions of~~ this chapter and general law and to fix the  
7 wholesale price of liquor as required by general law and the  
8 retail prices at which liquor shall be sold at ~~Alabama~~ state  
9 operated liquor stores. The board shall require each Alabama  
10 manufacturer and each nonresident manufacturer of distilled  
11 liquors selling distilled liquors to the board to make  
12 application for and be granted a permit by the board before  
13 distilled liquors shall be purchased from ~~such~~ the  
14 manufacturer. The board before issuing ~~such~~ the permit shall  
15 collect from each applicant a permit fee of ~~\$15.00~~ fifteen  
16 dollars (\$15), which sum shall be paid annually thereafter on  
17 application. In the event that ~~any such~~ a manufacturer ~~shall,~~  
18 in the opinion of the board, ~~sell~~ sells distilled liquors ~~to~~  
19 ~~the board~~ through another person for the purpose of evading  
20 this provision relating to permits, the board shall require  
21 ~~such~~ the person before purchasing distilled liquors from him  
22 or her or it to take out a permit and pay the same fee as  
23 ~~hereinbefore~~ is required to be paid by ~~such~~ the manufacturer.  
24 ~~All These~~ permit fees ~~so collected~~ shall be paid into the  
25 State ~~Stores~~ General Fund.

1           "(8) To grant, issue and suspend,    or revoke for  
2 cause liquor licenses and alcohol permits as provided in this  
3 chapter and by general law.

4           "(9) To grant, issue and suspend,    or revoke for  
5 cause malt or brewed and vinous beverages licenses as provided  
6 in this chapter.

7           "(10) To lease,    and furnish,    and equip such  
8 buildings, rooms,    and other accommodations as shall be  
9 required for the operation of this chapter. To determine the  
10 nature, form,    and capacity of all packages to be used for  
11 containing liquor, alcohol,    or malt or brewed beverages to be  
12 kept or sold under this chapter and to prescribe the form and  
13 contents of all labels and seals to be placed thereon.

14           "(11) To purchase from time to time the necessary  
15 stamps, crowns,    or lids, in a quantity sufficient for a period  
16 not to exceed six months, for identifying each article sold or  
17 distributed by or through the ~~said~~ state operated liquor  
18 stores or a licensee of the board. All liquors, vinous  
19 beverages,    and alcohol sold or distributed by the board or ~~any~~  
20 a licensee of ~~said~~ the board shall be stamped or endorsed in  
21 such characteristic way or manner to be determined by the  
22 board as shall clearly indicate that it has been dispensed or  
23 regulated by the board, and all such liquors, vinous  
24 beverages,    or alcohol not containing such label shall be  
25 contraband and subject to forfeiture as other contraband  
26 liquors.



1           "(12) To require all wholesalers who make sales of  
2 alcoholic beverages of any kind as defined in this chapter to  
3 ~~any~~ a state operated liquor store or other authorized licensee  
4 to forward, when the shipments of ~~such~~ the alcoholic beverages  
5 are made, to the board an invoice setting out the quantities  
6 of beverages purchased, and the price quotation showing at  
7 what price such beverages were sold and such invoice and  
8 quotation to be placed on record in the records of the  
9 Alcoholic Beverage Control Board of the State of Alabama and  
10 to be held for a period of not less than 18 months.

11           "(b) The Alcoholic Beverage Control Board shall be  
12 subject to regular examinations by the Examiners of Public  
13 Accounts the same as all other state agencies.

14           "§28-3-53.1.

15           "(a) There shall be no distribution of any taxes  
16 collected on alcoholic beverages sold by the Alabama Alcoholic  
17 Beverage Control Board or of any funds distributed as net  
18 profits by said board for at least 25 days beginning October  
19 1, 1983, for at least 55 days by September 30, 1984, for at  
20 least 85 days by September 30, 1985, for at least 115 days by  
21 September 30, 1986, for at least 120 days by September 30,  
22 1987, and ~~thereafter~~ until October 1, 2022, from the close of  
23 the month in which the ~~said~~ taxes or ~~said~~ funds are realized.  
24 The moneys so realized are intended for use by ~~said~~ the board  
25 for inventory purposes. This subsection shall be inoperative  
26 after September 30, 2022.

1           ~~"(b) Any funds accumulated as working capital under~~  
2           ~~Section 28-3-74(d) shall be distributed to the several~~  
3           ~~beneficiaries on the same basis as withheld on the next~~  
4           ~~distribution of profits to such beneficiaries by the Alabama~~  
5           ~~Alcoholic Beverage Control Board after October 1, 1984.~~

6           "(b) Any taxes previously collected and maintained  
7           in the Working Inventory Capital Fund as of July 1, 2022,  
8           shall be transferred to the State General Fund. Any additional  
9           taxes collected but not distributed as of October 1, 2022,  
10           pursuant to subsection (a) of this section shall first be  
11           distributed in the same manner and in the amounts due for the  
12           month of October 2022, to all current tax recipients and the  
13           remainder shall be transferred to the State General Fund no  
14           later than January 31, 2023.

15           "§28-3-53.2.

16           (a) The word board, wherever used in this section,  
17           shall mean the Alabama Alcoholic Beverage Control Board  
18           provided for in Chapter 3, Title 28. The term mark up,  
19           wherever used in this section shall mean the percentage amount  
20           added to cost plus freight on spirituous or vinous liquors  
21           sold by the board, exclusive of taxes heretofore levied with  
22           respect thereto.

23           (b) Until September 30, 2022, the ~~The~~ total amount  
24           of the additional mark up on cost of merchandise, levied by  
25           the Alcoholic Beverage Control Board subsequent to June 30,  
26           1983, shall be designated to the credit of the General Fund of  
27           the state.

1           (c) Until September 30, 2022, the ~~The~~ board shall be  
2 prohibited from increasing the mark up on wholesale case lot  
3 sales of liquor above 16.99 percent of the cost plus freight  
4 subsequent to December 1, 2004.

5           (d) Effective October 1, 2022, the markup on  
6 wholesale case lot sales of liquor shall be 16.99 percent of  
7 the cost plus freight of which 15.99 percent shall be  
8 designated to the credit of the General Fund of the state, and  
9 1.0 percent shall be paid into the Treasury of the State and  
10 designated as follows:

11           (1) 30.5 percent to the credit of the State  
12 Department of Human Resources;

13           (2) 13.8 percent to the credit of the wet counties  
14 of the state to be divided equally among each of said counties  
15 and paid into their respective general funds;

16           (3) 1.4 percent to the credit of the wet counties of  
17 the state to be divided equally among said counties and used  
18 exclusively for the purposes of public health;

19           (4) 29.1 percent to the incorporated municipalities  
20 where an Alabama liquor store was located prior to October 1,  
21 2022 with each municipality receiving as its percentage an  
22 amount equal to the ratio of the profits earned by the  
23 municipality's Alabama liquor store or stores to the total net  
24 profits of all Alabama liquor stores;

25           (5) 20.9 percent to incorporated cities and towns in  
26 the wet counties in the state on the basis of the ratio of the

1 population of each city or town to the total population of the  
2 cities and towns; and

3 (6) 4.3 percent to the wet counties in the state for  
4 general purposes on the basis of the ratio of the population  
5 of each county of the population of all such counties.

6 "§28-3-202.

7 (a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

8 (b) Levy; collection; disposition of proceeds. In  
9 addition to all other taxes of every kind now imposed by law  
10 and in addition to any marked-up price authorized or required  
11 by law, there is hereby levied and shall be collected a tax at  
12 the rate of 10 percent upon the selling price of all  
13 spirituous or vinous liquors sold by the board. Effective  
14 October 1, 2022, this tax shall be 14 percent. The tax imposed  
15 by this subsection shall be collected by the board from the  
16 purchaser at the time the purchase price is paid. One half of  
17 the proceeds derived from the tax shall be deposited in the  
18 State Treasury to the credit of the Public Welfare Trust Fund  
19 and shall be used for general welfare purposes and is hereby  
20 appropriated therefor. The remainder of such proceeds from the  
21 tax levied by this subsection shall be deposited in the State  
22 Treasury to the credit of a special fund which shall be  
23 designated the Alabama Special Mental Health Fund and shall be  
24 used only for mental health purposes, including the prevention  
25 of mental illness, the care and treatment of the mentally ill  
26 and the mentally deficient and the acquisition, equipment,

1 operation and maintenance of facilities for mental health  
2 purposes.

3 The markup as currently established by the board on  
4 spirituous or vinuous liquors shall not be reduced by the  
5 board for the purpose of absorbing the tax levied by this  
6 subsection, it being the intention of this provision that the  
7 said tax shall be passed on to the purchaser.

8 "§28-3-205.

9 (a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

10 (b) Levy and collection of tax. In addition to all  
11 other taxes of every kind now imposed by law, and in addition  
12 to any marked-up price authorized or required by law, there is  
13 hereby levied and shall be collected a tax at the rate of 10  
14 percent upon the selling price of all spirituous or vinous  
15 liquors sold by the board. Effective October 1, 2022, this tax  
16 shall be 6 percent. The tax hereby imposed shall be collected  
17 by the board from the purchaser at the time the purchase price  
18 is paid.

19 (c) Tax to be passed on to purchaser. The mark-up as  
20 currently established by the board on spirituous or vinous  
21 liquors shall not be reduced by the board for the purpose of  
22 absorbing the tax herein levied; it being the intention hereof  
23 that the said tax shall be passed on to the purchaser.

24 (d) Disposition of proceeds. All revenues collected  
25 under the provisions of this section shall be paid into the  
26 State Treasury to the credit of the General Fund.

27 "§28-3-207.

1           "There is hereby exempted from ~~the provisions of~~  
2 ~~this article and from~~ the computation of the amount of tax  
3 levied, assessed, or payable under such this article or any  
4 other tax levied on liquor by general law, the sale of all  
5 spirituous or vinous liquors sold by the Alabama Alcoholic  
6 Beverage Control Board to a certificated or licensed air  
7 carrier with a hub operation within this state, for use in  
8 conducting intrastate, interstate, or foreign commerce for  
9 transporting people or property by air. For the purpose of  
10 this section, the words "hub operation within this state"  
11 shall be construed to have all of the following criteria:

12           "(1) There originates from the location 15 or more  
13 flight departures and five or more different first-stop  
14 destinations five days per week for six or more months during  
15 the calendar year, ~~and.~~

16           "(2) Passengers ~~and/or~~ or property, or both, are  
17 regularly exchanged at the location between flights of the  
18 same or a different certificated or licensed air carrier.

19           "§28-3-241.

20           "Any alcoholic beverages as enumerated and defined  
21 in this chapter ~~to be sold or distributed by and through state~~  
22 ~~liquor stores~~ found within this state in the possession of or  
23 on the premises of ~~any~~ a person, firm, corporation, or  
24 association of persons not having affixed thereto such mark of  
25 identification showing that ~~said~~ the alcoholic beverages were  
26 sold or distributed ~~by a state liquor store~~ as required by law  
27 shall be subject to confiscation and sale in the same manner

1 as set forth in this chapter for malt or brewed beverages as  
2 defined in this chapter and vinous beverages not exceeding 24  
3 percent by volume which do not have affixed thereto the  
4 required revenue stamps as provided for in this chapter.

5 "Persons who are found guilty of having in their  
6 possession any ~~such~~ contraband liquors shall be subject to the  
7 same fines and imprisonment as set forth in this chapter for  
8 persons having in their possession any malt or vinous  
9 beverages without the proper stamps affixed thereto as  
10 required by this chapter.

11 "§28-3A-11.

12 "Upon applicant's compliance with ~~the provisions of~~  
13 this chapter and the regulations made thereunder, the board  
14 shall, where the application is accompanied by a certificate  
15 from the clerk or proper officer setting out that the  
16 applicant has presented his or her application to the  
17 governing authority of the municipality, if the licensed  
18 premises is to be located therein, and has obtained its  
19 consent and approval, issue a retail liquor license ~~which~~. The  
20 license will authorize the licensee to purchase liquor and  
21 wine from the board or as authorized by the board and to  
22 purchase table wine, and beer, including draft or keg beer in  
23 ~~any~~ a county or municipality in which the sale thereof is  
24 permitted, from ~~any~~ a wholesaler licensee of the board and to  
25 sell at retail ~~liquor and~~ table wine, dispensed from  
26 containers of any size, and beer, including draft or keg beer  
27 in ~~any~~ a county or municipality in which the sale thereof is

1 permitted, to patrons. The license shall authorize the  
2 licensee to sell, at retail, liquor for on-premises  
3 consumption only. A lounge liquor licensee may permit dancing  
4 or provide other lawful entertainment on the licensed  
5 premises. No person under 19 years of age shall be admitted on  
6 the premises of ~~any~~ a lounge liquor licensee as a patron or  
7 employee, and it shall be unlawful for any ~~such~~ licensee to  
8 admit ~~any~~ a minor to the premises as a patron or employee.

9 "§28-3A-12.

10 "Upon applicant's compliance with ~~the provisions of~~  
11 this chapter and the regulations made thereunder, the board  
12 may, where the application is accompanied by a certificate  
13 from the clerk or proper officers setting out that the  
14 applicant has presented his or her application to the  
15 governing authority of the municipality, if the licensed  
16 premises is to be located therein, and has obtained its  
17 consent and approval, issue a club liquor license for a club  
18 ~~which.~~ The license will authorize the licensee to purchase  
19 liquor and wine from the board or as authorized by the board  
20 and to purchase table wine and beer, including draft or keg  
21 beer in ~~any~~ a county or municipality in which the sale thereof  
22 is permitted, from ~~any~~ a wholesale licensee of the board and  
23 to sell liquor and wine, dispensed from containers of any  
24 size, and beer, including draft or keg beer, in ~~any~~ a county  
25 or municipality in which the sale thereof is permitted, to the  
26 members of the club or their guests for on-premises



1 consumption and to sell ~~all of the above~~ table wine and beer  
2 for off-premises consumption except on Sunday.

3 "§28-3A-19.

4 "Upon applicant's compliance with ~~the provisions of~~  
5 this chapter and the regulations made thereunder, the board  
6 shall issue a special retail license in wet counties for a  
7 state park, racing commission, fair authority, airport  
8 authority, or civic center authority, or the franchises or  
9 concessionaire of such park, commission, or authority, and  
10 may, ~~in its discretion,~~ issue a special retail license to any  
11 other valid responsible organization of good reputation for  
12 such period of time not to exceed one year and upon such terms  
13 and conditions as the board shall prescribe, ~~which.~~ The  
14 license will authorize the licensee to purchase, where the  
15 retail sale thereof is authorized by the board, liquor and  
16 wine from the board or as authorized by the board and table  
17 wine and beer from ~~any~~ a wholesale licensee of the board and  
18 to sell at retail ~~and dispense~~ for on-premises consumption  
19 such alcoholic beverages as are authorized by the board at  
20 such locations authorized by the board upon such terms and  
21 conditions as prescribed by the board. ~~Provided, however, no~~  
22 No sale of alcoholic beverages shall be permitted on ~~any~~ a  
23 Sunday after the hour of 2:00 A.M.

24 "§28-3A-21.

25 "(a) The following annual license fees are levied  
26 and prescribed for licenses issued and renewed by the board  
27 pursuant to the authority contained in this chapter:

1           "(1) Manufacturer license, license fee of five  
2 hundred dollars (\$500).

3           "(2) Importer license, license fee of five hundred  
4 dollars (\$500).

5           "(3) Liquor wholesale license, license fee of five  
6 hundred dollars (\$500).

7           (4) Wholesaler license, beer license fee of five  
8 hundred fifty dollars (\$550) or wine license fee of five  
9 hundred fifty dollars (\$550); license fee for beer and wine of  
10 seven hundred fifty dollars (\$750); plus two hundred dollars  
11 (\$200) for each warehouse in addition to the principal  
12 warehouse.

13           "(5) Warehouse license, license fee of two hundred  
14 dollars (\$200).

15           "(6) Retail license, license fee of seven hundred  
16 fifty dollars (\$750) for each retail outlet operated under the  
17 license.

18           "~~(6)~~ (7) Lounge retail liquor license, license fee of  
19 three hundred dollars (\$300).

20           "~~(7)~~ (8) Restaurant retail liquor license, license  
21 fee of three hundred dollars (\$300).

22           "~~(8)~~ (9) Club liquor license, Class I license fee of  
23 three hundred dollars (\$300), Class II license fee of seven  
24 hundred fifty dollars (\$750).

25           "~~(9)~~ (10) Retail table wine license for off-premises  
26 consumption, license fee of one hundred fifty dollars (\$150).

1           "~~(10)~~(11) Retail table wine license for on-premises  
2 and off-premises consumption, license fee of one hundred fifty  
3 dollars (\$150).

4           "~~(11)~~(12) Retail beer license for on-premises and  
5 off-premises consumption, license fee of one hundred fifty  
6 dollars (\$150).

7           "~~(12)~~(13) Retail beer license for off-premises  
8 consumption, license fee of one hundred fifty dollars (\$150).

9           "~~(13)~~(14) Retail common carrier liquor license,  
10 license fee of one hundred fifty dollars (\$150) for each  
11 railroad, airline, bus line, ship line, vessel or other common  
12 carrier entity with a vehicle passenger capacity of at least  
13 10 people.

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

17           "~~(15)~~(16) Special events retail license, license fee  
18 of one hundred fifty dollars (\$150).

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

21           "(c) In addition to the foregoing filing fee and  
22 license taxes or fees, any county or municipality in which the  
23 sale of alcoholic beverages is permitted shall be authorized  
24 to fix and levy privileges or license taxes on any of the  
25 foregoing licenses located or operated therein, conditioned on  
26 a permit or license being issued by the board.

1           "(d) No county or municipality shall have any  
2 authority to levy a license or tax of any nature on ~~any a~~  
3 state operated liquor store.

4           "(e) The Alcoholic Beverage Control Board may  
5 increase the license fees levied and fixed by this section  
6 pursuant to Section 41-1-11.

7           "§28-3A-22.

8           "The revenue derived from filing fees, license fees  
9 or taxes levied under Section 28-3A-4 and Section 28-3A-21  
10 shall be deposited upon receipt by the board in the State  
11 Treasury to the credit of the ~~Beer Tax and License Fund and~~  
12 ~~each month's receipts shall be distributed to the State~~  
13 General Fund no later than the end of the following month.

14           "County license fees authorized by and levied  
15 pursuant to Section 28-3A-21 shall be collected by the board  
16 and the proceeds of such collections shall be paid by the  
17 board into the State Treasury to the credit of the county  
18 levying ~~said~~ the license fee and paid semiannually to the  
19 governing body of ~~said~~ the county."

20           "§28-7-16.

21           (a) Levy. There is hereby levied in addition to the  
22 license taxes provided for by this chapter and municipal and  
23 county license taxes and in addition to any marked-up price  
24 made by the board on wine sold by the board a privilege or  
25 excise tax measured by and graduated in accordance with the  
26 volume of sales of table wine containing not more than sixteen  
27 and one-half percent alcohol by volume and shall be an amount

1 equal to forty-five cents (\$.45) per liter of table wine  
2 containing not more than sixteen and one-half percent alcohol  
3 by volume sold to the wholesale licensee or board, to be  
4 collected from the purchaser by the board or by a licensed  
5 retailer.

6 (b) Collection, Monthly Return, Remittance, Right to  
7 Examine Books and Records.

8 (1) The tax levied by subsection (a) shall be added  
9 to the sales price of all table wine containing not more than  
10 sixteen and one-half percent alcohol by volume sold and shall  
11 be collected from the purchasers. The tax shall be collected  
12 in the first instance from the wholesaler where table wine  
13 containing not more than sixteen and one-half percent alcohol  
14 by volume is sold or handled by wholesale licensees, and by  
15 the board from whomever makes sales when table wine containing  
16 not more than sixteen and one-half percent alcohol by volume  
17 is sold by the board. It shall be unlawful for any person who  
18 is required to pay the tax in the first instance to fail or  
19 refuse to add to the sales price and collect from the  
20 purchaser the required amount of tax, it being the intent and  
21 purpose of this provision that the tax levied is in fact a  
22 levy on the consumer. The person who pays the tax in the first  
23 instance is acting as an agent of the state for the collection  
24 and payment of the tax and as such may not collect a tax on  
25 table wine containing not more than sixteen and one-half  
26 percent alcohol by volume for any other level of government.

1           (2) The tax hereby levied shall be collected by a  
2 monthly return, which shall be filed by the wholesale  
3 licensees as follows: A monthly return filed with the board  
4 not later than the 15th day of the second month following the  
5 month of receipt of table wine containing not more than  
6 sixteen and one-half percent alcohol by volume by the  
7 wholesaler on a form prescribed by the board showing receipts  
8 by the wholesalers from manufacturer, importer, or other  
9 wholesaler licensees during the month of receipt and the taxes  
10 due thereon at the rate of thirty-eight cents (\$.38) per liter  
11 of table wine containing not more than sixteen and one-half  
12 percent alcohol by volume sold to the wholesale licensee or  
13 board; the taxes due at such rate shall be remitted to the  
14 board along with the return; a monthly return filed with the  
15 county or municipality within which the wine is sold at retail  
16 filed not later than the 15th day of each month showing sales  
17 by wholesalers during the preceding month and the county or  
18 municipality in which sold and the taxes due thereon at the  
19 rate of seven cents (\$.07) per liter of table wine containing  
20 not more than sixteen and one-half percent alcohol by volume  
21 sold; and the taxes due at such rate shall be remitted to the  
22 county or municipality along with the return.

23           (3) The tax hereby levied shall be collected by the  
24 board on the table wine containing not more than sixteen and  
25 one-half percent alcohol by volume sold by the board and shall  
26 be paid as follows: Taxes at the rate of thirty-eight cents  
27 (\$.38) per liter of table wine containing not more than

1 sixteen and one-half percent alcohol by volume sold shall be  
2 remitted by the board to the State Treasurer and taxes at the  
3 rate of seven cents (\$.07) per liter of table wine containing  
4 not more than sixteen and one-half percent alcohol by volume  
5 sold shall be remitted by the board to the county or  
6 municipality within which the wine was sold at retail not  
7 later than the last day of the month following the month of  
8 sale, as set forth in subsection (c).

9 (4) The board and the governing body of each county  
10 and municipality served by the wholesaler shall have the  
11 authority to examine the books and records of any person who  
12 sells, stores, or receives for the purpose of distribution any  
13 table wine, containing not more than sixteen and one-half  
14 percent alcohol by volume to determine the accuracy of any  
15 return required to be filed with it.

16 (c) Disposition of proceeds. The proceeds of the tax  
17 levied by subsection (a) shall be paid and distributed as  
18 follows:

19 (1) Thirty-eight cents (\$.38) per liter of table  
20 wine containing not more than sixteen and one-half percent  
21 alcohol by volume sold shall be collected by the board on its  
22 sales or paid to the board by wholesale licensees on their  
23 sales, and by the board paid to the State Treasurer to be  
24 credited as net profits from operation of the board to be  
25 distributed as provided by law until September 30, 2022.  
26 Thereafter, these proceeds shall be credited to the State  
27 General Fund.

1                   (2) Seven cents (\$.07) per liter of table wine  
2 containing not more than sixteen and one-half percent alcohol  
3 by volume sold shall be paid by the board on its sales or by  
4 wholesale licensees on their sales, either into the treasury  
5 of the municipality in which the table wine was sold at retail  
6 within its corporate limits, or, where sold outside the  
7 corporate limits of any municipality, into the treasury of the  
8 county in which the table wine was sold at retail.

9                   (d) There is hereby levied in addition to the  
10 license taxes provided for by this chapter and municipal and  
11 county license taxes and in addition to any marked-up price  
12 made by the board on wine sold by the board a privilege or  
13 excise tax measured by and graduated in accordance with the  
14 volume of sales of table wine containing more than sixteen and  
15 one-half percent alcohol by volume. The tax shall be an amount  
16 equal to two dollars and forty-two cents (\$2.42) per liter of  
17 table wine containing more than sixteen and one-half percent  
18 alcohol by volume sold to the wholesale licensee or board, to  
19 be collected from the purchaser by the board or by a licensed  
20 retailer.

21                   (e) Collection, Monthly Return, Remittance, Right to  
22 Examine Books and Records.

23                   (1) The tax levied by subsection (d) shall be added  
24 to the sales price of all table wine containing more than  
25 sixteen and one-half percent alcohol by volume sold and shall  
26 be collected from the purchasers. The tax shall be collected  
27 in the first instance from the wholesaler where table wine



1 containing more than sixteen and one-half percent alcohol by  
2 volume is sold or handled by wholesale licensees, and by the  
3 board from whomever makes sales when table wine containing  
4 more than sixteen and one-half percent alcohol by volume is  
5 sold by the board. It shall be unlawful for any person who is  
6 required to pay the tax in the first instance to fail or  
7 refuse to add to the sales price and collect from the  
8 purchaser the required amount of tax, it being the intent and  
9 purpose of this provision that the tax levied is in fact a  
10 levy on the consumer. The person who pays the tax in the first  
11 instance is acting as an agent of the state for the collection  
12 and payment of the tax and as such may not collect a tax on  
13 table wine containing more than sixteen and one-half percent  
14 alcohol by volume for any other level of government.

15 (2) The tax levied in subsection (d) shall be  
16 collected by a monthly return, which shall be filed by the  
17 wholesale licensees with the board not later than the 15th day  
18 of the second month following the month of receipt of table  
19 wine containing more than sixteen and one-half percent alcohol  
20 by volume by the wholesaler on a form prescribed by the board  
21 showing receipts by the wholesalers from manufacturer,  
22 importer, or other wholesaler licensees during the month of  
23 receipt and the taxes due thereon at the rate of two dollars  
24 and forty-two cents (\$2.42) per liter of table wine containing  
25 more than sixteen and one-half percent alcohol by volume sold  
26 to the wholesale licensee or board; the taxes due at such rate  
27 shall be remitted to the board along with the return.

1           (3) The tax levied in subsection (d) shall be  
2 collected by the board on table wine containing more than  
3 sixteen and one-half percent alcohol by volume sold by the  
4 board and shall be paid as follows: Taxes at the rate of two  
5 dollars and forty-two cents (\$2.42) per liter of table wine  
6 containing more than sixteen and one-half percent alcohol by  
7 volume sold shall be remitted by the board to the State  
8 Treasurer.

9           (4) The board shall have the authority to examine  
10 the books and records of any person who sells, stores, or  
11 receives for the purpose of distribution any table wine  
12 containing more than sixteen and one-half percent alcohol by  
13 volume, to determine the accuracy of any return required to be  
14 filed with it.

15           (f) Disposition of proceeds. The proceeds of the tax  
16 levied by subsection (d) shall be paid and distributed as  
17 follows:

18           (1) Thirty-seven percent to the Alcoholic Beverage  
19 Control Board.

20           (2) Thirty-four percent to the State General Fund.

21           (3) Twenty and eight-tenths percent to the  
22 Department of Human Resources.

23           (4) Eight and two-tenths percent to the Department  
24 of Mental Health.

25           (g) Taxes exclusive. The taxes herein levied are  
26 exclusive and shall be in lieu of all other and additional  
27 taxes and licenses of the state, county, or municipality,

1 imposed on or measured by the sale or volume of sale of table  
2 wine; provided, that nothing herein contained shall be  
3 construed to exempt the retail sale of table wine from the  
4 levy of tax on general retail sales by the state, county, or  
5 municipality in the nature of, or in lieu of, a general sales  
6 tax.

7 (h) Trade between wholesalers exempt. The taxes  
8 levied by subsections (a) and (d) shall not be imposed upon  
9 the sale, trade, or barter of table wine by one licensed  
10 wholesaler to another wholesaler licensed to sell and handle  
11 table wine in this state, which transaction is hereby made  
12 exempt from the tax; provided, however, the board may require  
13 written reporting of any such transaction in the form as the  
14 board may prescribe.

15 Section 22. All laws or parts of laws which conflict  
16 or are inconsistent with this act are repealed. Sections  
17 28-3-74 and 28-3-280 through 28-3-286 of the Code of Alabama  
18 1975 are specifically repealed on October 1, 2022.

19 Section 23. (a) All other laws shall be read in pari  
20 materia with this act, including, but not limited to, laws  
21 regulating the sale of liquor and laws regulating licensees of  
22 the board, so as to effectuate the intent and purposes  
23 prescribed by this act.

24 (b) This act shall not be construed as authorizing  
25 the sale of liquor or any other type of alcoholic beverage in  
26 any area of the state. Such sales shall be permitted only if  
27 otherwise authorized by law.

1                   Section 24. The provisions of this act are  
2                   severable. If any part of this act is declared invalid or  
3                   unconstitutional, that declaration shall not affect the part  
4                   which remains.

5                   Section 25. This act shall become effective  
6                   immediately following its passage and approval by the  
7                   Governor, or its otherwise becoming law.