

1 SB292
2 173949-2
3 By Senators Orr and Melson
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 24-FEB-16

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, other than to a retail
12 licensee of the board. Under existing law, state
13 liquor stores operated by the Alabama Alcoholic
14 Beverage Control Board and certain licensed private
15 retail stores may sell liquor at retail. Under
16 existing law, retail licensees of the board must
17 purchase liquor from the board for resale.

18 This bill would require the Alabama
19 Alcoholic Beverage Control Board to phase out
20 retail sale of alcoholic beverages by the board
21 prior to October 1, 2021 but continue all other
22 functions prescribed by law; require the board to
23 obtain the best available price for fixed assets,
24 equipment, and property; and require the Department
25 of Economic and Community Affairs to provide
26 certain technical assistance.

1 This bill would create a special fund in
2 which proceeds of the sale of fixed assets,
3 equipment, and property would be placed and would
4 provide moneys in the fund to be used to pay
5 phase-out costs, including employee benefits.

6 This bill would establish an application,
7 review, appeal and investigation process for
8 licensees.

9 This bill would provide for the sale,
10 transfer, and surrender of licenses; provide that
11 persons possessing authority to sell liquor for
12 off-premises consumption on the date of
13 introduction of this bill could continue to operate
14 according to the license; and prohibit all other
15 persons from selling liquor for off-premises
16 consumption.

17 This bill would provide for the markup on
18 all alcohol sold by this board and provide for the
19 distribution of proceeds; provide that liquor sold
20 by the board would be subject to existing taxes and
21 provide for the redistribution of certain tax
22 proceeds; reallocate a portion of the proceeds of
23 existing taxes on table wine; and provide for the
24 distribution of local sales taxes on the sale of
25 liquor by retail licensees.

26 This bill would require the board to
27 implement a hiring freeze of certain employees; and

1 grant certain benefits to displaced employees,
2 including additional consideration for staffing
3 retail operations during the phase-out.

4 This bill would levy a fee for a retail
5 license and allow for an increase of fees for
6 licenses issued by the Alabama Alcoholic Beverage
7 Control Board.

8 This bill would require revocation or
9 suspension of licences issued by the board upon
10 proof of selling alcohol to a minor.

11 This bill would create the Products
12 Selection Review Committee and would require the
13 committee to review product selection decisions of
14 the board and report irregularities and violations
15 to the Attorney General and the State Ethics
16 Commission.

17 This bill would provide for the distribution
18 of certain payments delayed for inventory purposes;
19 require the board to convert to an inventory
20 bailment system; and permit the board to enter
21 contracts for certain warehousing functions.

22
23 A BILL
24 TO BE ENTITLED
25 AN ACT
26

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

1 licensees; specifying remaining functions of the board;
2 creating the Products Selection Review Committee and
3 prescribing its duties; requiring the board to revoke or
4 suspend license upon certain proof of selling to a minor;
5 requiring the board to convert to an inventory bailment
6 system; providing for the distribution of certain payment
7 delayed for inventory purposes; permitting the board to enter
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, 2021, and shall by that date
17 close all state liquor stores and all retail operations and
18 functions. The phase out shall be on a staggered basis
19 determined by the Alabama Alcoholic Beverage Control Board
20 based on the following factors in order of priority: (1) the
21 lease end date, (2) the 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 each year beginning October 1, 2017.

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, 2021,

1 shall sell, liquidate, transfer, and dispose of all fixed
2 assets, equipment, and property of state liquor stores and
3 retail operations of the board. Any fixed assets, equipment,
4 and property not sold by the board by October 1, 2021, shall
5 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 liquor store, the
13 remaining merchandise inventory in the store shall be disposed
14 of in one of the following manners:

15 a. Transferred directly to another state liquor
16 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 merchandise inventory in this
23 manner shall be treated the same as the proceeds of the sale
24 of other liquor.

25 Section 3. (a) The Alcoholic Beverage Control Board
26 Retail Phase-Out Fund is created in the State Treasury. The

1 board shall pay all proceeds from the sale of the fixed
2 assets, equipment, and property into the fund.

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

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

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

26 (b) Neither the board nor a public officer,
27 including, but not limited to, the Governor, shall have

1 authority to perform any of the following functions and any
2 provision or portion of the Alabama Alcoholic Beverage Control
3 Act, Title 28 (commencing with Section 28-1-1) of the Code of
4 Alabama 1975 or other law granting such authority shall be
5 considered repealed:

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

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

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

16 (c) The board shall accept and enforce any option in
17 an existing lease relating to state liquor stores or retail
18 operations permitting termination of the lease, including, but
19 not limited to, any of the 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 form of retail license to be issued to
10 each retail licensee under this act.

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

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 (4) That the applicant has never been convicted of a
9 felony or other crime involving moral turpitude, or a crime
10 involving the sale or dispensing of alcoholic beverages in
11 this state, in any other state, or in any federal court; and
12 if the applicant is a corporation, limited partnership,
13 partnership, association, or other business organization, that
14 none of its executive officers, directors, general partners,
15 or any person owning, directly or indirectly, at least 20
16 percent of the outstanding stock of or partnership interests
17 in the applicant, has been so convicted.

18 (b) An applicant shall provide the board any
19 additional information requested.

20 (c) Whenever a change occurs in information provided
21 to the board, including, but not limited to, information
22 concerning a criminal conviction, the change shall immediately
23 be reported to the board in the same manner as originally
24 provided.

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

1 (1) The applicant has been convicted in this state,
2 in any other state, or in any federal court of a felony, a
3 crime involving moral turpitude, or a crime involving the sale
4 or dispensing of alcoholic beverages.

5 (2) An executive officer, director, or general
6 partner of the applicant, or a person owning, directly or
7 indirectly, at least 20 percent of the outstanding stock of or
8 partnership interests in the applicant, has been convicted in
9 this state, in any other state, or in any federal court of a
10 felony, a crime involving moral turpitude, or a crime
11 involving the sale or dispensing of alcoholic beverages. Prior
12 to revoking a license under this subsection, the board shall
13 give the executive officer, director, general partner, or
14 owner of stock or partnership interest who has been convicted
15 of such a crime a reasonable time to vacate the position or
16 sell their interests. If the position is vacated or the
17 interest is sold to a person approved by the board within that
18 time period, the entity may continue to hold the license.

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

23 (b) Upon the completion of the investigation of an
24 applicant, the board shall inform the applicant in writing
25 whether the application has been approved or denied, and shall
26 post a copy of the decision in the office of the board.

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

6 (d) An applicant shall provide all information
7 required by this act in the form specified by the board and
8 shall satisfy all requests for information pertaining to
9 qualifications. By filing an application, an applicant shall
10 waive any liability of the board for any damages resulting
11 from a disclosure or publication of any material or
12 information acquired during inquiries, investigations, or
13 hearings unless the board acted in an unreasonable or reckless
14 manner.

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

22 Section 9. (a) The annual retail license period
23 shall be from October 1 to September 30. The annual retail
24 license fee for a retail license shall be the sum specified in
25 Section 28-3A-21 of the Code of Alabama 1975. The annual
26 retail license fee for the initial year of issuance shall be

1 prorated based on the number of days remaining between the
2 date of issuance and the following September 30.

3 (b) All retail licenses shall expire on September 30
4 of each year and may be renewed only upon the submission to
5 the board of the same information required for the issuance of
6 the license and any additional information requested by the
7 board. The information shall be submitted on forms and by the
8 date prescribed by the board. The payment to the board of the
9 applicable annual retail license fee shall accompany this
10 information.

11 (c) The board may suspend or revoke a license in the
12 manner prescribed by law. No person may sell liquor at a
13 retail outlet if the retail license applicable to the outlet
14 has been suspended, revoked, or expired. If a license has been
15 revoked or has expired, the board shall proceed to reissue the
16 retail license for the remaining license period.

17 (d) If the area or a portion of the area in which a
18 holder of a license prohibits the retail sale of liquor, the
19 licensee shall not be permitted to sell liquor in that area or
20 that portion of the area. If, within the license period, the
21 area or the portion of the area subsequently permits the sale
22 of liquor, the licensee may resume the retail sale of liquor
23 as authorized by the license for the remaining license period.
24 If a licensee is prohibited from selling liquor, the licensee
25 shall not be entitled to a refund of any portion of the annual
26 license fee.

1 Section 10. (a) No person may purchase or otherwise
2 acquire a retail license unless the board has first approved
3 of the qualifications of the person to hold the retail
4 license, which qualifications shall be the same as those
5 required under Section 6.

6 (b) No person may sell, assign, or otherwise
7 transfer a retail license without the prior written approval
8 of the board. For purposes of this section, the merger of a
9 retail licensee or the sale of more than 50 percent of the
10 outstanding stock of or partnership interests in the retail
11 licensee shall be deemed to be a sale, assignment, or transfer
12 of a retail license. Any license sold, assigned, or
13 transferred shall only remain effective for the remainder of
14 the license period.

15 Section 11. A retail licensee may surrender a retail
16 license to the board at any time. The board shall then proceed
17 to reissue the retail license for the remaining license
18 period.

19 Section 12. (a) In addition to the licensees under
20 this act, only licensees possessing authority on the date this
21 act was introduced into the Legislature of Alabama to sell
22 liquor in original unopened containers at retail for
23 off-premises consumption may continue to sell liquor in
24 original unopened containers at retail for off-premises
25 consumption according to the terms of the license on the date
26 of issuance to the licensee. Notwithstanding any other law,
27 these licensees may annually renew this license with this

1 privilege. Notwithstanding any other law, these licensees may
2 not sell or transfer the license.

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

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

10 Section 13. Alcohol sold at retail in stores
11 operated by the Alabama Alcoholic Beverage Control Board prior
12 to October 1, 2021 shall be subject to the tax and markup
13 presently provided by law and the proceeds of that tax shall
14 be distributed as presently provided by law. Alcohol sold by
15 the board after retail stores have been phased-out shall be
16 subject to the markup provided in Section 28-3-53.2.

17 Section 14. (a) (1) This act shall not be construed
18 as prohibiting a municipality from collecting municipal sales
19 taxes on liquor sold by any retail licensee of the board,
20 including, but not limited to, a retail licensee at the same
21 rate levied by the municipality on the sales of other tangible
22 property.

23 (2) If a local law allocated a portion of sales tax
24 proceeds received by the municipality pursuant to Section
25 28-3-280 to Section 28-3-286, inclusive, Code of Alabama 1975,
26 the same amount of sales tax proceeds received by the
27 municipality in the base year from sales taxes on the sale of

1 liquor in original unopened containers by licensees of the
2 board for off-premises consumption shall be identically
3 allocated at the same intervals by the municipality until
4 otherwise provided by local law. Any remaining amounts
5 collected by the municipality shall be distributed as provided
6 by general or local law.

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

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

19 (2) If a local law allocated a portion of sales tax
20 proceeds received by the county pursuant to Section 28-3-280
21 to Section 28-3-286, inclusive, Code of Alabama 1975, the same
22 amount of sales tax proceeds received by the county on the
23 sale of liquor in original unopened containers for
24 off-premises consumption by a licensee of the board shall be
25 identically allocated at the same intervals by the county
26 until otherwise provided by local law. Any remaining amounts

1 collected by the county shall be distributed as provided by
2 general or local law.

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

6 Section 15. (a) Upon the effective date of this act,
7 the board shall implement a hiring freeze on the employment of
8 new employees for the board's retail operations. This hiring
9 freeze shall continue until October 1, 2021. If an essential
10 position must be filled during the hiring freeze period, the
11 board shall fill the position with a displaced retail
12 employee, if the employee is qualified. If a displaced retail
13 employee is determined unqualified for the essential position,
14 the employee may request the Director of the State Personnel
15 Department to determine if the employee is qualified. Upon
16 request, the director shall make the determination and notify
17 the employee and the board. If the director determines the
18 employee is qualified, the board shall offer the position to
19 the employee. If there are no displaced retail employees
20 qualified to fill an essential position, the board may
21 contract with an individual to fill the essential position
22 during the hiring freeze period. The employment contract shall
23 not extend beyond September 30, 2021. The board shall fill
24 nonessential positions with displaced employees of the retail
25 operations of the board as provided in subsection (e).

26 (b) In order to insure the efficient and effective
27 operation of the retail operations of the board during the

1 phase-out period, the state shall enter into contracts with
2 employees involved in the retail operations of the board. For
3 the additional consideration tendered by these employees in
4 agreeing to provide necessary staffing of the retail
5 operations during the phase-out period and until the date of
6 termination of employment with the board, the state shall
7 agree to pay the employee additional compensation in a lump
8 sum in an amount equivalent to three months of annual salary.
9 Payment to these employees for the rendering of these
10 additional services shall be on the same date as payment of
11 final salary owed. Moneys in the fund established in Section 3
12 shall be used for these payments.

13 (c) The board shall locate displaced employees of a
14 closed state liquor store in an open state liquor store
15 requested by the employee if feasible.

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

18 (e) The board shall permit displaced employees of
19 the retail operations to transfer to other board operations,
20 if feasible.

21 (f) Displaced employees of the retail operations of
22 the board, subject to state law, may transfer to other
23 positions within the state personnel system and shall be given
24 preference if qualified.

25 (g) Upon authorization of the State Personnel
26 Director, a state Merit System employee who loses his or her
27 job as a direct consequence of this act may be added to any

1 certification for employment for any register on which the
2 employee's name appears for a period of two years following
3 his or her layoff date. An appointing authority who passes
4 over such a displaced employee shall file in writing with the
5 Director of the State Personnel Department the reason for
6 passing over the displaced employee. The written reason shall
7 become a part of the file of the displaced employee, but shall
8 only be available for review by the displaced employee.

9 (h) A licensee of the board who employs full-time,
10 for a period of 12 consecutive months or longer, a displaced
11 state Merit System employee of the board who lost his or her
12 job as a direct consequence of this act, as determined by the
13 Director of the State Personnel Department, shall be given a
14 20 percent discount on license and permit fees collected by
15 the board for each complete year the displaced employee is
16 employed full-time. No licensee may receive a discount for
17 more than five years. The board shall require necessary
18 verification of such employment.

19 Section 16. (a) The board shall continue to perform
20 all other functions required by law, including, but not
21 limited to, the wholesale sale of liquor, licensing,
22 enforcement, audit and collection.

23 (b) The enforcement operations shall be under the
24 direct control of the administrator of the board.

25 Section 17. (a) The board shall readily supply to a
26 licensee any liquor product requested by the licensee if the
27 product conforms to the requirements of federal and state law.

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

3 (c) The board shall sell liquor to a licensee at a
4 price equal to the purchase price of the liquor negotiated by
5 the board plus freight and markup.

6 Section 18. (a) The Products Selection Review
7 Committee is established. The committee shall be composed of
8 five members. The President of the Senate shall appoint two
9 licensees, or the executive officer of the licensee, to the
10 committee. The Speaker of the House of Representatives shall
11 appoint two licensees, or the executive officer of the
12 licensee, to the committee. The Governor shall appoint one
13 resident of the state to the committee who shall represent the
14 interests of consumers. Members of the committee shall serve
15 at the pleasure of the appointing authority. Members shall
16 serve until a successor is named and assumes the office.

17 The membership of the committee shall be inclusive
18 and reflect the racial, gender, geographic, urban/rural, and
19 economic diversity of the state. The committee shall annually
20 report to the Legislature by the second legislative day of
21 each regular session the extent to which the appointing
22 authorities have complied with the diversity provision of this
23 act.

24 (b) The committee shall meet quarterly, and at other
25 necessary times as determined by the committee. A majority of
26 the members of the committee shall constitute a quorum. The

1 board shall provide clerical and technical assistance to the
2 committee and necessary office space.

3 (c) The committee shall review the policies and
4 procedures of the board concerning the availability of
5 products offered to licensees of the board. The committee
6 shall review prices charged by the board for products sold to
7 licensees. The committee shall also review any complaint filed
8 with the board or the committee regarding the availability of
9 liquor offered to licensees of the board, including, but not
10 limited to, complaints regarding the failure of the board to
11 readily supply requested liquor products as required by
12 subsection (a) of Section 17. The members of the board and
13 employees of the board shall supply the committee with all
14 requested information regarding product selections, offerings,
15 availabilities, and pricing.

16 (d) Any irregularity or possible violation of law
17 discovered by the committee concerning product selections,
18 offerings, availability, and pricing shall be immediately
19 reported by the committee to both of the following entities:

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

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

1 Section 19. Sections 28-1-4, 28-2-22, 28-3-43,
2 28-3-53.1, 28-3-53.2, 28-3-202, 28-3-205, 28-3-207, 28-3-241,
3 28-3A-11, 28-3A-12, 28-3A-19, 28-3A-20, 28-3A-21, 28-3A-22,
4 28-3A-24, 28-3A-26, and 28-7-16 of the Code of Alabama 1975,
5 are amended to read as follows:

6 "§28-1-4.

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

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

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

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

27 "§28-2-22.

1 "(a) If the majority of the voters in ~~any~~ a county
2 approve the sale and distribution of alcoholic beverages under
3 this article as provided in Section 28-2-21, the sale of
4 alcoholic beverages in such county shall be governed by the
5 following conditions:

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

24 "(2) The governing body of ~~any~~ a county which has
25 adopted the special method as provided in Section 28-2-21 may
26 from time to time vote to exclude the sale of alcoholic
27 beverages within all or any part of its unincorporated areas,

1 but if a municipality annexes ~~any~~ an unincorporated area, that
2 area shall be subject to the rules of the municipality with
3 regard to the sale and distribution of alcoholic beverages.

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

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

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

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

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

16 "§28-3-43.

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

19 "(1) To buy, manufacture, and sell at wholesale
20 alcoholic beverages and to have alcoholic beverages in its
21 possession for sale at wholesale, as defined and enumerated in
22 this chapter and by general law, and to have alcoholic
23 beverages in its possession for sale at retail at any time
24 prior to October 1, 2021.

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

1 "(3) To determine the localities within which ~~any a~~
2 state operated liquor store ~~shall~~ may be ~~established and~~
3 operated and the location of ~~such~~ the state operated liquor
4 store at any time prior to October 1, 2021. No state operated
5 liquor store shall be established in and neither the board nor
6 any other person may legally buy, manufacture, or sell
7 alcoholic beverages in ~~any a~~ county which has voted in the
8 negative in ~~any an~~ election called as provided in Chapter 2 of
9 this title for determining the ~~said~~ issue unless and until
10 ~~said~~ the county has at a subsequent similar election voted in
11 the affirmative. The board shall have the power at any time
12 prior to October 1, 2021, to ~~establish and~~ maintain state
13 operated liquor stores for the sale of liquors as defined in
14 this chapter, ~~provided, that municipalities.~~ Municipalities
15 may by proper zoning ordinances establish zones or districts
16 within which ~~such~~ liquor stores may or may not be established,
17 ~~provided further, that the.~~ The number of state operated
18 liquor stores in ~~any a~~ municipality shall be limited to two
19 ~~such~~ stores for municipalities of 25,000 population or less
20 according to the last or any subsequent federal census and, in
21 municipalities having more than 25,000 population, such
22 additional stores as the board, in its discretion, may
23 determine.

24 "(4) To make provision for the maintenance of
25 warehouses for alcoholic beverages and to control the delivery
26 of alcoholic beverages to and from such warehouses and the
27 keeping of the same therein. The board, by competitive bid as

1 provided in Chapter 16 of Title 41 of the Code of Alabama
2 1975, may enter into contracts with private entities for the
3 receipt, storage, delivery, or distribution, or any
4 combination thereof, of alcoholic beverages held by the board.
5 The board shall supervise and maintain control over the
6 actions of such a private contractor to ensure the laws of
7 this state are properly enforced.

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

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

1 powers, require them ~~or any of them~~ to give bonds payable to
2 the state in such penalty as shall be fixed by the board; and
3 engage the services of experts and persons engaged in the
4 practice of a profession.

5 "(7) To control the manufacture, possession, sale,
6 consumption, importation, use, and delivery of liquor,
7 alcohol, and malt and brewed beverages in accordance with ~~the~~
8 ~~provisions of~~ this chapter and general law and to fix the
9 wholesale price of liquor as required by general law and the
10 retail prices at which liquor shall be sold at ~~Alabama~~ state
11 operated liquor stores. The board shall require each Alabama
12 manufacturer and each nonresident manufacturer of distilled
13 liquors selling distilled liquors to the board to make
14 application for and be granted a permit by the board before
15 distilled liquors shall be purchased from ~~such the~~
16 manufacturer. The board before issuing ~~such the~~ permit shall
17 collect from each applicant a permit fee of ~~\$15.00~~ fifteen
18 dollars (\$15), which sum shall be paid annually thereafter on
19 application. In the event that ~~any such a~~ manufacturer ~~shall,~~
20 in the opinion of the board, ~~sell~~ sells distilled liquors ~~to~~
21 ~~the board~~ through another person for the purpose of evading
22 this provision relating to permits, the board shall require
23 ~~such the~~ person before purchasing distilled liquors from him
24 or her or it to take out a permit and pay the same fee as
25 ~~hereinbefore is~~ required to be paid by ~~such the~~ manufacturer.
26 ~~All These~~ permit fees ~~so collected~~ shall be paid into the
27 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, 2021, 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, 2021.

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) Effective October 1, 2021, the board shall
7 maintain merchandise inventory by means of a bailment system.

8 "(c) Any taxes previously collected and maintained
9 in the working inventory capital fund as of July 1, 2021,
10 shall be transferred to the State General Fund. Any additional
11 taxes collected but not distributed as of October 1, 2021,
12 pursuant to subsection (a) of this section shall first be
13 distributed in the same manner and in the amounts due for the
14 month of October 2021, to all current tax recipients and the
15 remainder shall be transferred to the State General Fund no
16 later than January 31, 2017.

17 "§28-3-53.2.

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

25 (b) Until September 30, 2021, the ~~The~~ total amount
26 of the additional mark up on cost of merchandise, levied by
27 the Alcoholic Beverage Control Board subsequent to June 30,

1 1983, shall be designated to the credit of the General Fund of
2 the state.

3 (c) Until September 30, 2021, the ~~The~~ board shall be
4 prohibited from increasing the mark up on wholesale case lot
5 sales of liquor above 16.99 percent of the cost plus freight
6 subsequent to December 1, 2004.

7 (d) Effective October 1, 2021, the markup on
8 wholesale case lot sales of liquor shall be 16.99 percent of
9 the cost plus freight of which 15.99 percent shall be
10 designated to the credit of the General Fund of the state, and
11 1.0 percent shall be paid into the Treasury of the State and
12 designated as follows:

13 (1) 30.5 percent to the credit of the State
14 Department of Human Resources;

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

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

21 (4) 29.1 percent to the incorporated municipalities
22 in which an Alabama liquor store was located prior to October
23 1, 2021 with each municipality receiving as its percentage an
24 amount equal to the ratio of the profits earned by such
25 municipality's Alabama liquor store or stores to the total net
26 profits of all Alabama liquor stores;

1 (5) 20.9 percent to incorporated cities and towns in
2 the wet counties in the state on the basis of the ratio of the
3 population of each such city or town to the total population
4 of such cities and towns; and

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

8 "§28-3-202.

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

10 (b) Levy; collection; disposition of proceeds. In
11 addition to all other taxes of every kind now imposed by law
12 and in addition to any marked-up price authorized or required
13 by law, there is hereby levied and shall be collected a tax at
14 the rate of 10 percent upon the selling price of all
15 spirituous or vinous liquors sold by the board. Effective
16 October 1, 2021, this tax shall be 14 percent. The tax imposed
17 by this subsection shall be collected by the board from the
18 purchaser at the time the purchase price is paid. One half of
19 the proceeds derived from the tax shall be deposited in the
20 State Treasury to the credit of the Public Welfare Trust Fund
21 and shall be used for general welfare purposes and is hereby
22 appropriated therefor. The remainder of such proceeds from the
23 tax levied by this subsection shall be deposited in the State
24 Treasury to the credit of a special fund which shall be
25 designated the Alabama Special Mental Health Fund and shall be
26 used only for mental health purposes, including the prevention
27 of mental illness, the care and treatment of the mentally ill

1 and the mentally deficient and the acquisition, equipment,
2 operation and maintenance of facilities for mental health
3 purposes.

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

9 "§28-3-205.

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

11 (b) Levy and collection of tax. In addition to all
12 other taxes of every kind now imposed by law, and in addition
13 to any marked-up price authorized or required by law, there is
14 hereby levied and shall be collected a tax at the rate of 10
15 percent upon the selling price of all spirituous or vinous
16 liquors sold by the board. Effective October 1, 2021, this tax
17 shall be 6 percent. The tax hereby imposed shall be collected
18 by the board from the purchaser at the time the purchase price
19 is paid.

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

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

1 "§28-3-207.

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

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

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

20 "§28-3-241.

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

1 shall be subject to confiscation and sale in the same manner
2 as set forth in this chapter for malt or brewed beverages as
3 defined in this chapter and vinous beverages not exceeding 24
4 percent by volume which do not have affixed thereto the
5 required revenue stamps as provided for in this chapter.

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

12 "§28-3A-11.

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

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

10 "§28-3A-12.

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

25 "Upon applicant's compliance with this chapter and
26 the regulations made thereunder, and upon application made on
27 a form provided by the board at least ~~25~~ 120 days in advance

1 of the event for which a license is granted, the board shall
2 issue a special events license for a valid, responsible
3 organization of good reputation, for a period not to exceed
4 seven days, and upon such terms and conditions as the board
5 may prescribe. The license shall authorize the licensee to
6 purchase, where the retail sale thereof is authorized by the
7 board, liquor and wine from the board or as authorized by the
8 board and table wine and beer from ~~any~~ a wholesale licensee of
9 the board and to sell at retail ~~and dispense~~ for on-premises
10 consumption such alcoholic beverages as are authorized by the
11 board to the patrons, guests, or members of the organization
12 at such locations or areas as shall be authorized by the board
13 upon such terms and conditions as prescribed by the board. No
14 sale of alcoholic beverages shall be permitted on ~~any~~ a Sunday
15 after the hour of 2:00 A.M.

16 "§28-3A-21.

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

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

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

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

26 (4) Wholesaler license, beer license fee of five
27 hundred fifty dollars (\$550) or wine license fee of five

1 hundred fifty dollars (\$550); license fee for beer and wine of
2 seven hundred fifty dollars (\$750); plus two hundred dollars
3 (\$200) for each warehouse in addition to the principal
4 warehouse.

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

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

10 "~~(6)~~ (7) Lounge retail liquor license, license fee of
11 three hundred dollars (\$300).

12 "~~(7)~~ (8) Restaurant retail liquor license, license
13 fee of three hundred dollars (\$300).

14 "~~(8)~~ (9) Club liquor license, Class I license fee of
15 three hundred dollars (\$300), Class II license fee of seven
16 hundred fifty dollars (\$750).

17 "~~(9)~~ (10) Retail table wine license for off-premises
18 consumption, license fee of one hundred fifty dollars (\$150).

19 "~~(10)~~ (11) Retail table wine license for on-premises
20 and off-premises consumption, license fee of one hundred fifty
21 dollars (\$150).

22 "~~(11)~~ (12) Retail beer license for on-premises and
23 off-premises consumption, license fee of one hundred fifty
24 dollars (\$150).

25 "~~(12)~~ (13) Retail beer license for off-premises
26 consumption, license fee of one hundred fifty dollars (\$150).

1 "~~(13)~~(14) Retail common carrier liquor license,
2 license fee of one hundred fifty dollars (\$150) for each
3 railroad, airline, bus line, ship line, vessel or other common
4 carrier entity with a vehicle passenger capacity of at least
5 10 people.

6 "~~(14)~~(15) Special retail license, license fee of one
7 hundred dollars (\$100) for 30 days or less; license fee of two
8 hundred fifty dollars (\$250) for more than 30 days.

9 "~~(15)~~(16) Special events retail license, license fee
10 of one hundred fifty dollars (\$150).

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

13 "(c) In addition to the foregoing filing fee and
14 license taxes or fees, any county or municipality in which the
15 sale of alcoholic beverages is permitted shall be authorized
16 to fix and levy privileges or license taxes on any of the
17 foregoing licenses located or operated therein, conditioned on
18 a permit or license being issued by the board.

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

22 "(e) The Alcoholic Beverage Control Board may
23 increase license fees levied and fixed by this section
24 pursuant to Section 41-1-11.

25 "§28-3A-22.

26 "The revenue derived from filing fees, license fees
27 or taxes levied under Section 28-3A-4 and Section 28-3A-21

1 shall be deposited upon receipt by the board in the State
2 Treasury to the credit of the ~~Beer Tax and License Fund and~~
3 ~~each month's receipts shall be distributed to the~~ State
4 General Fund no later than the end of the following month.

5 "County license fees authorized by and levied
6 pursuant to Section 28-3A-21 shall be collected by the board
7 and the proceeds of such collections shall be paid by the
8 board into the State Treasury to the credit of the county
9 levying ~~said~~ the license fee and paid semiannually to the
10 governing body of ~~said~~ the county."

11 "§28-3A-24.

12 "(a) The board shall have full and final authority
13 as to the suspension or revocation of any license issued under
14 this chapter and to levy a fine against a licensee in lieu of
15 such suspension or revocation. The board shall have the full
16 right and authority to suspend any retail license issued by it
17 for any reason which it may deem sufficient and proper.

18 "Provided, however, the board may appoint a hearing
19 commission of not less than three members to hear and decide
20 all contested applications of licenses under this chapter, and
21 hear and decide all charges against any licensee for violation
22 of this chapter, the law or the regulations of the board and
23 shall have the power and authority to revoke or suspend for
24 cause licenses and permits, or to fine licensees provided in
25 this chapter. Provided, no member of the hearing commission
26 shall participate in the hearing or disposition of any

1 application for license or charge against a licensee if he has
2 an interest therein or he was involved in the investigation.

3 "(b) The board or a hearing commission appointed by
4 the board, upon sufficient cause being shown or proof being
5 made that any licensee holding a license issued by the board,
6 or any partners, members, officers, or directors of the
7 licensee has or have violated any of the laws of this state or
8 regulations of the board relating to the manufacture, sale,
9 possession or transportation of alcoholic beverages, or where
10 the licensed premises has been conducted in a manner
11 prejudicial to the welfare, health, peace, temperance and
12 safety of the people of the community or of the state, may
13 upon due notice and proper hearing being given to the person
14 so licensed, suspend or revoke the license issued by the
15 board. In all such cases where the board or hearing commission
16 shall suspend or revoke a license, it shall set forth its
17 findings of fact, the evidence from which such findings of
18 fact are made, and the reasons upon which its actions are
19 based.

20 "Provided, however, upon sufficient cause being
21 shown or proof being made of any licensee violating Section
22 28-3A-25(a)(3) for the first time, the board shall immediately
23 revoke or suspend the associated license for a period of one
24 week. This revocation shall be subject to review by the board
25 or hearing commission within a reasonable time.

26 "(c) When, in the opinion of the board or hearing
27 commission, a fine is deemed more appropriate than suspending

1 or revoking a license, the board or hearing commission is
2 authorized to fine the licensee for any cause that could
3 result in suspension or revocation. Such fines may not exceed
4 the sum of \$1,000.00. The licensee must remit the fine to the
5 administrator within one week of the day that such fine is
6 levied. Failure to pay the fine within this period shall
7 result in an automatic suspension of the license until such
8 fine is paid. All fines collected by the board shall be paid
9 by the administrator into the Treasury of the state and
10 credited to the General Fund.

11 "(d) The maximum length of suspension of a license
12 under these provisions shall be one year, and any licensee
13 whose license is suspended by the board or hearing commission
14 shall be, at the discretion of the board or hearing
15 commission, ineligible to have any license under this chapter
16 until the expiration or removal of the suspension. Any
17 licensee whose license is revoked by the hearing commission or
18 the board shall be, at the discretion of the board or hearing
19 commission, ineligible to have any license under this chapter
20 until the expiration of one year from the date such license is
21 revoked. The board or hearing commission is hereby granted
22 broad discretionary powers in exercising its authority under
23 this section.

24 "§28-7-16.

25 (a) Levy. There is hereby levied in addition to the
26 license taxes provided for by this chapter and municipal and
27 county license taxes and in addition to any marked-up price

1 made by the board on wine sold by the board a privilege or
2 excise tax measured by and graduated in accordance with the
3 volume of sales of table wine containing not more than sixteen
4 and one-half percent alcohol by volume and shall be an amount
5 equal to forty-five cents (\$.45) per liter of table wine
6 containing not more than sixteen and one-half percent alcohol
7 by volume sold to the wholesale licensee or board, to be
8 collected from the purchaser by the board or by a licensed
9 retailer.

10 (b) Collection, Monthly Return, Remittance, Right to
11 Examine Books and Records.

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

1 and payment of the tax and as such may not collect a tax on
2 table wine containing not more than sixteen and one-half
3 percent alcohol by volume for any other level of government.

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

26 (3) The tax hereby levied shall be collected by the
27 board on the table wine containing not more than sixteen and

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

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

19 (c) Disposition of proceeds. The proceeds of the tax
20 levied by subsection (a) shall be paid and distributed as
21 follows:

22 (1) Thirty-eight cents (\$.38) per liter of table
23 wine containing not more than sixteen and one-half percent
24 alcohol by volume sold shall be collected by the board on its
25 sales or paid to the board by wholesale licensees on their
26 sales, and by the board paid to the State Treasurer to be
27 credited as net profits from operation of the board to be

1 distributed as provided by law until September 30, 2021.
2 Thereafter, these proceeds shall be credited to the State
3 General Fund.

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

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

24 (e) Collection, Monthly Return, Remittance, Right to
25 Examine Books and Records.

26 (1) The tax levied by subsection (d) shall be added
27 to the sales price of all table wine containing more than

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

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

1 more than sixteen and one-half percent alcohol by volume sold
2 to the wholesale licensee or board; the taxes due at such rate
3 shall be remitted to the board along with the return.

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

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

18 (f) Disposition of proceeds. The proceeds of the tax
19 levied by subsection (d) shall be paid and distributed as
20 follows:

21 (1) Thirty-seven percent to the Alcoholic Beverage
22 Control Board.

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

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

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

1 (g) Taxes exclusive. The taxes herein levied are
2 exclusive and shall be in lieu of all other and additional
3 taxes and licenses of the state, county, or municipality,
4 imposed on or measured by the sale or volume of sale of table
5 wine; provided, that nothing herein contained shall be
6 construed to exempt the retail sale of table wine from the
7 levy of tax on general retail sales by the state, county, or
8 municipality in the nature of, or in lieu of, a general sales
9 tax.

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

18 Section 20. All laws or parts of laws which conflict
19 or are inconsistent with this act are repealed. Sections
20 28-3-74 and 28-3-280 through 28-3-286 of the Code of Alabama
21 1975 are specifically repealed on October 1, 2021.

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

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

5 Section 22. The provisions of this act are
6 severable. If any part of this act is declared invalid or
7 unconstitutional, that declaration shall not affect the part
8 which remains.

9 Section 23. This act shall become effective
10 immediately following its passage and approval by the
11 Governor, or its otherwise becoming law.