

1 SB166  
2 172933-1  
3 By Senators Coleman-Madison, Singleton, Beasley and Waggoner  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 09-FEB-16

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8 SYNOPSIS: Under existing law, a licensed manufacturer  
9 of table wine may only operate a tasting room for  
10 the purpose of tasting or sampling and retail sales  
11 of the manufacturer's table wines at the site where  
12 the table wine is manufactured.

13 This bill would allow a licensed winery to  
14 obtain a permit to operate one additional tasting  
15 room in addition to its on-site tasting room.  
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17 A BILL  
18 TO BE ENTITLED  
19 AN ACT  
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21 Relating to alcoholic beverages; to amend Sections  
22 28-3A-6 and 28-7-18, Code of Alabama 1975, by allowing a  
23 licensed winery to obtain a permit to operate one additional  
24 tasting room in addition to its on-site tasting room, for the  
25 purpose of tasting or sampling and selling at retail the  
26 winery's table wines.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Sections 28-3A-6 and 28-7-18, Code of  
2 Alabama 1975, are amended to read as follows:

3           "§28-3A-6.

4           "(a) Upon applicant's compliance with the provisions  
5 of this chapter and the regulations made thereunder, the board  
6 shall issue to applicant a manufacturer license which shall  
7 authorize the licensee to manufacture or otherwise distill,  
8 produce, ferment, brew, bottle, rectify, or compound alcoholic  
9 beverages within this state or for sale or distribution within  
10 this state. No person shall manufacture or otherwise distill,  
11 produce, ferment, brew, bottle, rectify or compound alcoholic  
12 beverages within this state or for sale or distribution within  
13 this state or to the state, the board, or any licensee of the  
14 board, unless such person or the authorized representative of  
15 the person shall be granted a manufacturer license issued by  
16 the board.

17           "(b) No manufacturer licensee shall sell any  
18 alcoholic beverages direct to any retailer or for consumption  
19 on the premises where sold except as specified under  
20 subsection (h) ~~(1)~~, nor sell or deliver any such alcoholic  
21 beverages in other than original containers approved as to  
22 capacity by the board and in accordance with standards of fill  
23 prescribed by the U. S. Treasury Department, nor maintain or  
24 operate within the state any place or places, other than the  
25 place or places covered by the manufacturer license, where  
26 alcoholic beverages are sold or where orders are taken.

1           "(c) Each manufacturer licensee shall be required to  
2     file with the board, prior to making any sales in Alabama a  
3     list of its labels to be sold in Alabama and shall file with  
4     the board its federal certificate of label approvals or its  
5     certificates of exemption as required by the U. S. Treasury  
6     Department. All liquors and wines whose labels have not been  
7     registered as herein provided for shall be considered  
8     contraband and may be seized by the board or its agents, or  
9     any peace officer of the State of Alabama without a warrant  
10    and the goods shall be delivered to the board and disposed of  
11    as provided by law.

12           "(d) All such manufacturer licensees shall be  
13    required to mail to the board prior to the twentieth day of  
14    each month a consolidated report of all shipments of alcoholic  
15    beverages made to each wholesaler during the preceding month.  
16    Such reports shall be in such form and containing such  
17    information as the board may prescribe.

18           "(e) Every manufacturer shall keep at its principal  
19    place of business within the state, daily permanent records  
20    which shall show the quantities of raw materials received and  
21    used in the manufacture of alcoholic beverages, and the  
22    quantities of alcoholic beverages manufactured and stored, the  
23    sale of alcoholic beverages, the quantities of alcoholic  
24    beverages stored for hire or transported for hire by or for  
25    the licensee and the names and addresses of the purchasers or  
26    other recipients thereof.

1           "(f) Every place licensed as a manufacturer shall be  
2     subject to inspection by members of the board or by persons  
3     duly authorized and designated by the board at any and all  
4     times of the day or night as they may deem necessary, for the  
5     detection of violations of this chapter, of any law, or of the  
6     rules and regulations of the board, or for the purpose of  
7     ascertaining the correctness of the records required to be  
8     kept by the licensees. The books and records of such licensees  
9     shall, at all times, be open to inspection by members of the  
10    board, or by persons duly authorized and designated by the  
11    board. Members of the board and its duly authorized agents  
12    shall have the right, without hindrance, to enter any place  
13    which is subject to inspection hereunder, or any place where  
14    such records are kept for the purpose of making such  
15    inspections and making transcripts thereof.

16           "(g) Licenses issued under this section shall,  
17    unless revoked in the manner provided in this chapter, be  
18    valid for the license year commencing January 1 of each year.

19           "(h) (1) A manufacturer licensee actively and  
20    continuously engaged in the manufacture of alcoholic beverages  
21    on the manufacturer's licensed premises in the ~~State of~~  
22    ~~Alabama~~ state may conduct tastings or samplings on the  
23    licensed premises, as regulated by the ABC Board except as to  
24    quantity and hours of operation, or as otherwise provided by  
25    statute, and for that purpose give away or sell alcoholic  
26    beverages manufactured there for consumption on only one  
27    premises where manufactured.

1           "~~(2)~~ All alcoholic beverages manufactured and  
2 retained on the manufacturer's licensed premises for tasting  
3 or sampling shall remain on the premises and be dispensed from  
4 a barrel or keg or other original containers.

5           "(2) Notwithstanding subdivision (1), the board may  
6 grant a permit allowing a manufacturer licensee engaged in the  
7 manufacture of table wine in the state to establish and  
8 operate one additional off-site tasting room to be used to  
9 conduct tastings or samplings and to sell at retail the  
10 licensee's table wine. An applicant for an off-site tasting  
11 room permit shall file a written application with the board in  
12 such form and containing such information as the board may  
13 prescribe, along with proof of consent and approval from the  
14 appropriate governing authority in which the off-site tasting  
15 room is to be located and a filing fee of fifty dollars (\$50).  
16 All state and federal laws and regulations applicable to  
17 on-site tasting rooms shall apply to an off-site tasting room.

18           "(i) (1) In addition to the licenses provided for by  
19 Chapter 3A of this title, and any county or municipal license,  
20 there is levied on the manufacturer of the alcoholic beverages  
21 dispensed on the premises the privilege or excise tax imposed  
22 on beer by Sections 28-3-184 and 28-3-190; and imposed on  
23 table wine by Section 28-7-18; and imposed on liquor by  
24 Sections 28-3-200 to 28-3-205, inclusive. Every manufacturer  
25 licensee shall file the tax returns, pay the taxes, and  
26 perform all obligations imposed on wholesalers at the times  
27 and places set forth therein. It shall be unlawful for any

1 manufacturer licensee who is required to pay the taxes so  
2 imposed in the first instance to fail or refuse to add to the  
3 sale price and collect from the purchaser the required amount  
4 of tax, it being the intent and purpose of this provision that  
5 each of the taxes levied is in fact a tax on the consumer,  
6 with the manufacturer licensee who pays the tax in the first  
7 instance acting merely as an agent of the state for the  
8 collection and payment of the tax levied by Section 28-3-184;  
9 as an agent for the county or municipality for the collection  
10 and payment of the tax levied by Section 28-3-190; as an agent  
11 for the county or municipality for collection and payment of  
12 the tax levied by Section 28-7-18; and as an agent for the  
13 state for collection and payment of the tax levied by Sections  
14 28-3-200 to 28-3-205, inclusive.

15 "(2) The manufacturer licensee shall keep and  
16 maintain all records required to be kept and maintained by  
17 manufacturer, wholesaler, and retailer licensees for the tax  
18 so levied.

19 "§28-7-18.

20 "(a) No manufacturer shall sell any table wine  
21 direct to any retailer or for consumption on the premises  
22 where sold, nor sell or deliver any such table wine in other  
23 than original containers, nor shall any manufacturer maintain  
24 or operate within this state any place or places, other than  
25 the place or places covered by his or its license where table  
26 wine is sold or where orders therefor are taken. Provided,  
27 further, that table wine ~~which~~ that is manufactured in Alabama

1 may be sold directly at retail by the licensed manufacturer,  
2 for on-premise or off-premise consumption, only on the  
3 manufacturer's premises, ~~for on-premise or off-premise~~  
4 ~~consumption~~ and at one additional permitted off-site tasting  
5 room used to conduct tastings or samplings and to sell at  
6 retail the manufacturer's table wine.

7 "(b) (1) There is hereby levied and assessed, upon  
8 wine manufactured in Alabama and sold by the manufacturer  
9 directly at retail on the premises where it is manufactured,  
10 as provided in subsection (a), or dispensed, as free samples  
11 of not more than six ounces, in the tasting room or wine  
12 cellar on the manufacturer's premises, an excise tax, measured  
13 by and graduated in accordance with the volume of such wine  
14 sold or dispensed, in an amount equal to forty-five cents  
15 (\$.45) per liter.

16 "(2) The tax hereby levied on retail sales on a  
17 manufacturer's premises shall be added to the sales price of  
18 all table wine sold at retail by the manufacturer, as provided  
19 in subsection (a), and shall be collected from the consumers  
20 making the purchases.

21 "(c) The tax levied by subsection (b) shall be  
22 collected by a return and remitted, monthly, as follows:

23 "(1) Not later than the fifteenth day of the month  
24 following the month in which table wine was dispensed as free  
25 samples or sold at retail as provided in subsection (a), the  
26 manufacturer shall file with the board, on a form and in the  
27 manner prescribed by the board, a return showing taxes due at



1 thirty-eight cents (\$.38) per liter of the table wine  
2 dispensed or sold at retail during the previous month; the  
3 taxes due at such rate shall be remitted to the board along  
4 with the return.

5 "(2) Not later than the fifteenth day of the month  
6 following the month in which table wine was dispensed as free  
7 samples or sold at retail as provided in subsection (a), the  
8 manufacturer shall file with the municipality within which the  
9 table wine was dispensed or sold at retail within its  
10 corporate limits, or, where dispensed or sold at retail  
11 outside of the corporate limits of any municipality, with the  
12 county within which the table wine was dispensed or sold at  
13 retail, a return showing taxes at seven cents (\$.07) per liter  
14 of the table wine dispensed or sold at retail during the  
15 previous month; the taxes due at such rate shall be remitted  
16 to the county or municipality along with the return.

17 "(3) All taxes imposed, levied, and collected under  
18 this section shall be deposited and credited in the same  
19 manner as are other table wine taxes.

20 "(d) Manufacturers who manufacture table wine within  
21 Alabama shall provide to the board monthly reports, in the  
22 form, time, and manner prescribed by the board, reporting  
23 gallonage sold and gallonage exported for sale outside the  
24 state during the previous month.

25 "(e) The tax herein levied is exclusive and shall be  
26 in lieu of all other and additional taxes of the state,  
27 county, and municipality imposed on or measured by the sale or

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

6 Section 2. This act shall become effective on the  
7 first day of the third month following its passage and  
8 approval by the Governor, or its otherwise becoming law.