



**House Economic Development and Tourism Reported  
Substitute for HB521**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

A BILL  
TO BE ENTITLED  
AN ACT

Relating to alcoholic beverages; to amend Sections 28-3-1, 28-3A-3, 28-3A-21, and 28-3A-23, Code of Alabama 1975; to define a new category of low-alcohol content liquor beverages called mixed spirit beverages; to add Section 28-3-208 to the Code of Alabama 1975, to levy an excise tax upon the distribution of mixed spirit beverages; to add Section 28-1-9 to the Code of Alabama 1975, to regulate the display by retailers of mixed spirit and other alcoholic beverages; to add Section 28-3A-9.1 to the Code of Alabama 1975, to provide a license for wholesalers of mixed spirit beverages; to add Section 28-3A-17.3 to the Code of Alabama 1975, to provide licenses for retailers of mixed spirit beverages; to set fees for the licenses; to amend Sections 28-3A-1.5, 28-3A-11, 28-3A-12, 28-3A-13, 28-3A-17.2, 28-3A-18, 28-3A-19, 28-3A-19.1, and 28-3A-20, Code of Alabama 1975, to make conforming changes; and to add Chapter 8B to Title 28 of the Code of Alabama 1975; to require licensed importers, manufacturers, and suppliers of mixed spirit beverages to enter into exclusive sales territory distribution agreements with wholesalers.



**House Economic Development and Tourism Reported  
Substitute for HB521**

29 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

30 Section 1. Section 28-1-9 is added to the Code of  
31 Alabama 1975:

32 §28-1-9

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

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

39 (1) Appeal to minors.

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

43 (c) No label shall be approved by the board which would  
44 violate any rule of the board which governs general  
45 advertising.

46 (d) Alcoholic beverages for retail sale shall be  
47 displayed in such a way that they are separated from  
48 nonalcoholic beverages, dual-branded beverages, or beverages  
49 intended for children.

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

56 Section 2. Section 28-3-1, Code of Alabama 1975, is



**House Economic Development and Tourism Reported  
Substitute for HB521**

57 amended to read as follows:

58 "§28-3-1

59 As used in this title, the following words~~shall~~ have  
60 the following meanings unless the context clearly indicates  
61 otherwise:

62 (1) ALCOHOLIC BEVERAGES. Any alcoholic, spirituous,  
63 vinous, fermented, or other alcoholic beverage, or combination  
64 of liquors and mixed liquor, a part of which is spirituous,  
65 vinous, fermented, or otherwise alcoholic, and all drinks or  
66 drinkable liquids, preparations, or mixtures intended for  
67 beverage purposes, which contain one-half of one percent or  
68 more of alcohol by volume,~~and shall include~~. The term  
69 includes liquor, beer,~~and~~ wine, and mixed spirit beverages.

70 (2) ASSOCIATION. A partnership, limited partnership, or  
71 any form of unincorporated enterprise owned by two or more  
72 persons.

73 (3) BEER, or MALT OR BREWED BEVERAGES. Any beer, lager  
74 beer, ale, porter, malt or brewed beverage, or similar  
75 fermented beverage containing one-half of one percent or more  
76 of alcohol by volume and not in excess of~~thirteen and~~  
77 ~~nine-tenths~~13.9 percent alcohol by volume, brewed or produced  
78 from malt, wholly or in part, or from rice, grain of any kind,  
79 bran, glucose, sugar, or molasses. A beer or malt or brewed  
80 beverage may incorporate honey, fruit, fruit juice, fruit  
81 concentrate, herbs, spices, or other flavorings during the  
82 fermentation process. The term does not include any product  
83 defined as liquor, table wine, ~~or~~ wine, or mixed spirit  
84 beverages.



**House Economic Development and Tourism Reported  
Substitute for HB521**

85 (4) BOARD. The Alcoholic Beverage Control Board.

86 (5) BRANDY. All beverages that are an alcoholic  
87 distillate from the fermented juice, mash, or wine of fruit,  
88 or from the residue thereof, produced in such manner that the  
89 distillate possesses the taste, aroma, and characteristics  
90 generally attributed to the beverage, as bottled at not less  
91 than 80 degree proof.

92 (6) CARTON. The package or container or containers in  
93 which alcoholic beverages are originally packaged for shipment  
94 to market by the manufacturer or its designated  
95 representatives or the importer.

96 (7) CIDER. A fermented alcoholic beverage made from  
97 apple juice and containing not more than 8.5 percent alcohol  
98 by volume.

99 (8) CLUB.

100 a. Class I. A corporation or association organized or  
101 formed in good faith by authority of law and which must have  
102 at least 150 paid-up members. It must be the owner, lessee, or  
103 occupant of an establishment operated solely for the objects  
104 of a national, social, patriotic, political, or athletic  
105 nature or the like, but not for pecuniary gain, and the  
106 property as well as the advantages of which, belong to all the  
107 members and which maintains an establishment provided with  
108 special space and accommodations where, in consideration of  
109 payment, food with or without lodging is habitually served.  
110 The club shall hold regular meetings, continue its business  
111 through officers regularly elected, admit members by written  
112 application, investigation, and ballot, and charge and collect



**House Economic Development and Tourism Reported  
Substitute for HB521**

113 dues from elected members.

114           b. Class II. A corporation or association organized or  
115 formed in good faith by authority of law and which must have  
116 at least 100 paid-up members. It must be the owner, lessee, or  
117 occupant of an establishment operated solely for the objects  
118 of a national, social, patriotic, political, or athletic  
119 nature or the like. The club shall hold regular meetings,  
120 continue its business through officers regularly elected,  
121 admit members by written application, investigation, and  
122 ballot, and charge and collect dues from elected members.

123           (9) CONTAINER. The single bottle, can, keg, bag, or  
124 other receptacle, but not a carton, in which alcoholic  
125 beverages are originally packaged for the market by the  
126 manufacturer or importer and from which the alcoholic beverage  
127 is consumed by or dispensed to the public.

128           (10) CORPORATION. A corporation or joint stock  
129 association organized under the laws of this state, the United  
130 States, or any other state, territory, or foreign country, or  
131 dependency.

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

135           (12) DELIVERY SERVICE LICENSE. A license issued by the  
136 Alabama Alcoholic Beverage Control Board in accordance with  
137 Section 28-3A-13.1 that authorizes the licensee, the  
138 licensee's employees, or independent contractors under a  
139 contractual or business arrangement with the licensee to  
140 transport and deliver alcoholic beverages.



**House Economic Development and Tourism Reported  
Substitute for HB521**

141 (13) DRY COUNTY. Any county which by a majority of  
142 those voting voted in the negative in an election ~~heretofore~~  
143 held under the applicable statutes at the time of the election  
144 or may hereafter vote in the negative in an election or  
145 special method referendum hereafter held in accordance with  
146 Chapter 2, or held in accordance with the provisions of any  
147 act hereafter enacted permitting such election.

148 (14) DRY MUNICIPALITY. Any municipality within a wet  
149 county which has, by its governing body or by a majority of  
150 those voting in a municipal election ~~heretofore~~ held in  
151 accordance with the provisions of Section 28-2-22, or in a  
152 municipal option election ~~heretofore or hereafter~~ held in  
153 accordance with the provisions of ~~Act 84-408, Acts of Alabama~~  
154 ~~1984, appearing as~~ Chapter 2A, or any act hereafter enacted  
155 permitting municipal option election, voted to exclude the  
156 sale of alcoholic beverages within the corporate limits of the  
157 municipality.

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

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

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

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

167 c. Service to and on behalf of dependent, neglected, or  
168 delinquent children.



**House Economic Development and Tourism Reported  
Substitute for HB521**

169           d. Investigative and referral services to and on behalf  
170 of needy persons.

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

175           (18) HOTEL. A building or buildings held out to the  
176 public for housing accommodations of travelers or transients,  
177 and shall include a motel, but shall not include a rooming  
178 house or boarding house.

179           (19) IMPORTER. Any person, association, or corporation  
180 engaged in importing alcoholic beverages, liquor, wine, ~~or~~  
181 beer, or mixed spirit beverages manufactured outside of the  
182 United States of America into this state or for sale or  
183 distribution in this state, or to the board or to a licensee  
184 of the board.

185           (20) INDEPENDENT CONTRACTOR. An individual to whom an  
186 employer is required to issue a 1099 tax form under federal  
187 law.

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

191           (22) LIQUOR. Any alcoholic, spirituous, vinous,  
192 fermented, or other alcoholic beverage, or combination of  
193 liquors and mixed liquor, a part of which is spirituous,  
194 fermented, vinous, or otherwise alcoholic, and all drinks or  
195 drinkable liquids, preparations, or mixtures intended for  
196 beverage purposes, which contain one-half of one percent or



**House Economic Development and Tourism Reported  
Substitute for HB521**

197 more of alcohol by volume, except beer, ~~and~~ table wine, and  
198 mixed spirit beverages.

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

202 (24) MANUFACTURER. Any person, association, or  
203 corporation engaged in the producing, bottling, manufacturing,  
204 distilling, fermenting, brewing, rectifying, or compounding of  
205 alcoholic beverages, liquor, beer, ~~or~~ wine, or mixed spirit  
206 beverages in this state or for sale or distribution in this  
207 state or to the board or to a licensee of the board.

208 (25) MEAD. An alcoholic beverage produced by fermenting  
209 a solution of honey and water with grain mash and containing  
210 not more than 18 percent alcohol by volume.

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

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

219 (28) MIXED SPIRIT BEVERAGES. A single-serve beverage  
220 containing liquor, packaged in a can or other container  
221 approved by the board no larger than 16 ounces, and which  
222 contains no more than seven percent alcohol by volume. The  
223 term does not include any beverage containing liquor over 16  
224 ounces in size or of more than seven percent alcohol by



**House Economic Development and Tourism Reported  
Substitute for HB521**

225 [volume.](#)

226 [\(29\)](#) MUNICIPALITY. Any incorporated city or town of  
227 this state to include its police jurisdiction.

228 ~~(29)~~ [\(30\)](#) PERSON. Every natural person, association, or  
229 corporation. Whenever used in a clause prescribing or imposing  
230 a fine or imprisonment, or both, ~~such~~ [the](#) term as applied to  
231 [an](#) association shall mean the partners or members thereof and  
232 as applied to [a](#) corporation shall mean the officers thereof,  
233 except as to incorporated clubs the term ~~person shall mean~~  
234 ~~such~~ [means an](#) individual or individuals who, under the bylaws  
235 of such clubs, shall have jurisdiction over the possession and  
236 sale of liquor therein.

237 ~~(30)~~ [\(31\)](#) POPULATION. The population according to the  
238 last preceding or any subsequent decennial census of the  
239 United States, except where a municipality is incorporated  
240 subsequent to the last census, in which event, its population  
241 until the next decennial census shall be the population of the  
242 municipality as determined by the judge of probate of the  
243 county as the official population on the date of its  
244 incorporation.

245 ~~(31)~~ [\(32\)](#) RESTAURANT. A reputable place licensed as a  
246 restaurant, operated by a responsible person of good  
247 reputation, and habitually and principally used for the  
248 purpose of preparing and serving meals for the public to  
249 consume on the premises.

250 ~~(32)~~ [\(33\)](#) RETAILER. Any person licensed by the board to  
251 engage in the retail sale of any alcoholic beverages to the  
252 consumer.



**House Economic Development and Tourism Reported  
Substitute for HB521**

253           ~~(33)~~ (34) SALE or SELL. Any transfer of liquor, wine, ~~or~~  
254 beer, or mixed spirit beverages for a consideration, and any  
255 gift in connection with, or as a part of, a transfer of  
256 property other than liquor, wine, ~~or~~ beer, or mixed spirit  
257 beverages for a consideration.

258           ~~(34)~~ (35) SELLING PRICE. The total marked-up price of  
259 spirituous or vinous liquors sold by the board, exclusive of  
260 taxes levied thereon.

261           ~~(35)~~ (36) TABLE WINE. Except as otherwise provided in  
262 this subdivision, any wine containing not more than 24 percent  
263 alcohol by volume. Table wine does not include any wine  
264 containing more than ~~sixteen and one-half~~ 16.5 percent alcohol  
265 by volume that is made with herbs or flavors, except vermouth,  
266 or is an imitation or other than standard wine. Table wine is  
267 not liquor, spirituous, or vinous.

268           ~~(36)~~ (37) UNOPENED CONTAINER. A container containing  
269 alcoholic beverages, which has not been opened or unsealed  
270 subsequent to filling and sealing by the manufacturer or  
271 importer.

272           ~~(37)~~ (38) WET COUNTY. Any county which by a majority of  
273 those voting voted in the affirmative in an election  
274 ~~heretofore~~ held in accordance with the statutes applicable at  
275 the time of the election or may hereafter vote in the  
276 affirmative in an election or special method referendum held  
277 in accordance with Chapter 2, or other statutes applicable at  
278 the time of the election.

279           ~~(38)~~ (39) WET MUNICIPALITY. Any municipality in a dry  
280 county which by a majority of those voting voted in the



**House Economic Development and Tourism Reported  
Substitute for HB521**

281 affirmative in a municipal option election ~~heretofore or~~  
282 ~~hereafter~~ held in accordance with ~~the provisions of Act~~  
283 ~~84-408, Acts of Alabama 1984, appearing as~~ Chapter 2A of this  
284 title, ~~as amended,~~ or any act hereafter enacted permitting  
285 municipal option election, or any municipality which became  
286 wet by vote of the governing body or by the voters of the  
287 municipality ~~heretofore or hereafter~~ held under the special  
288 method referendum provisions of Section 28-2-22, or as  
289 hereafter provided, where the county has become dry subsequent  
290 to the elected wet status of the municipality.

291 ~~(39)~~ (40) WHOLESALER. Any person licensed by the board  
292 to engage in the sale and distribution of table wine, ~~and~~  
293 beer, or mixed spirit beverages, or ~~either any combination~~  
294 thereof ~~of them,~~ within this state, at wholesale only, to be  
295 sold by export or to retail licensees or other wholesale  
296 licensees or others within this state lawfully authorized to  
297 sell table wine, ~~and~~ beer, or mixed spirit beverages, or  
298 ~~either any combination thereof~~ of them, for the purpose of  
299 resale only.

300 ~~(40)~~ (41) WINE. All beverages made from the fermentation  
301 of fruits, berries, or grapes, with or without added spirits,  
302 and produced in accordance with the laws and regulations of  
303 the United States, containing not more than 24 percent alcohol  
304 by volume, and shall include all sparkling wines, carbonated  
305 wines, special natural wines, rectified wines, vermouths,  
306 vinous beverages, vinous liquors, and like products, including  
307 restored or unrestored pure condensed juice."

308 Section 3. Section 28-3-208 is added to the Code of



**House Economic Development and Tourism Reported  
Substitute for HB521**

309 Alabama 1975, to read as follows:

310 §28-3-208

311 (a) There is levied, in addition to the license taxes  
312 provided for by this chapter and municipal and county license  
313 taxes, a privilege or excise tax measured by and graduated in  
314 accordance with the volume of sales of mixed spirit beverages,  
315 which shall be an amount equal to **three and five-tenths** cents  
316  **(\$.035)** per ounce or fractional part thereof.

317 (b) (1) a. The tax levied by subsection (a) shall be  
318 added to the sales price of all mixed spirit beverages and  
319 collected from the purchaser. The tax shall be collected in  
320 the first instance from the wholesaler where mixed spirit  
321 beverages are sold or handled by wholesale licensees.

322 b. It shall be unlawful for any person who is required  
323 to pay the tax in the first instance to fail or refuse to add  
324 to the sales price and collect from the purchaser the required  
325 amount of tax, it being the intent and purpose of this section  
326 that the tax levied is in fact a levy on the consumer. The  
327 person who pays the tax in the first instance is acting as an  
328 agent of the state for the collection and payment of the tax  
329 and as such may not collect a tax on mixed spirit beverages  
330 for any other level of government.

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

333 a. The wholesaler shall file a monthly return with the  
334 board no later than the 15th day of the second month following  
335 the month of receipt of mixed spirit beverages by the  
336 wholesaler on a form prescribed by the board showing receipts



**House Economic Development and Tourism Reported  
Substitute for HB521**

337 by the wholesaler from manufacturers, importers, or other  
338 wholesaler licensees during the month of receipt and the tax  
339 due thereon at the rate of **three and five-tenths** cents  **(\$.035)**  
340 per ounce of mixed spirit beverages sold to the wholesaler.  
341 The tax due at this rate shall be remitted to the board along  
342 with the return.

343           b. A wholesaler shall file a monthly return with the  
344 county or municipality within which the mixed spirit beverage  
345 is sold at retail not later than the 15th day of each month,  
346 showing sales by wholesalers during the preceding month and  
347 the tax due thereon at the rate of two-thousandths cents  
348 (\$.002) per ounce sold. The tax due at this rate shall be  
349 remitted to the county or municipality along with the return.

350           (3) The board and the governing body of each county and  
351 municipality served by the wholesaler shall have the authority  
352 to examine the books and records of the wholesaler who sells,  
353 stores, or receives for the purpose of distribution any mixed  
354 spirit beverages, to determine the accuracy of any return  
355 required to be filed with it.

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

359           (1) One-half of the mixed spirit beverages tax shall be  
360 deposited in the State General Fund.

361           (2) The remaining one-half of the mixed spirit  
362 beverages tax shall be retained by the board for regulatory,  
363 enforcement, and administrative purposes.

364           (3) The mixed spirit beverages tax remitted by the



**House Economic Development and Tourism Reported  
Substitute for HB521**

365 wholesaler to either the county or municipality under  
366 paragraph (b) (2)b. shall be distributed as provided in Section  
367 28-3-190.

368 (d) The tax levied under this section is exclusive and  
369 shall be in lieu of all other and additional taxes and  
370 licenses of the state, county, or municipality, imposed on or  
371 measured by the sale or volume of sale of mixed spirit  
372 beverages; provided, that nothing contained in this section  
373 shall be construed to exempt the retail sale of mixed spirit  
374 beverages from the levy of tax on general retail sales by the  
375 state, county, or municipality in the nature of, or in lieu  
376 of, a general sales tax.

377 (e) The tax levied by subsection (a) shall not be  
378 imposed upon the sale, trade, or barter of mixed spirit  
379 beverages by one licensed wholesaler to another wholesaler  
380 licensed to sell and handle mixed spirit beverages in this  
381 state, which transaction is made exempt from the tax;  
382 provided, however, the board may require written reporting of  
383 any such transaction in the form as the board may prescribe  
384 pursuant to paragraph (b) (2)a.

385 (f) Each county and municipality may fix a reasonable  
386 privilege or license fee on retail, importer, and wholesale  
387 licensees, for the purpose of covering the cost of  
388 administration with respect to the sale of mixed spirit  
389 beverages, but not to generate revenue; provided, however, a  
390 county or municipality may not levy a license or privilege tax  
391 or other charge for the privilege of doing business as a mixed  
392 spirit beverages wholesaler, importer, or retailer which shall



## House Economic Development and Tourism Reported Substitute for HB521

393 exceed one-half the amount of the state license fee.

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

396 "§28-3A-3

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

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

403 ~~(2)~~ b. To import ~~any or all~~ alcoholic beverages  
404 manufactured outside the United States into this state or for  
405 sale or distribution within this state.

406 ~~(3)~~ c. To distribute, wholesale, or act as jobber for  
407 the sale of liquor.

408 ~~(4)~~ d. To distribute, wholesale, or act as jobber for  
409 the sale of table wine ~~and beer or either of them~~, beer, or  
410 mixed spirit beverages alone or in any combination to licensed  
411 retailers within the state and others within this state  
412 lawfully authorized to sell table wine, ~~or~~ beer, or mixed  
413 spirit beverages.

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

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

419 ~~(7)~~ g. To sell and dispense at retail ~~in an~~  
420 ~~establishment habitually and principally used for the purpose~~



**House Economic Development and Tourism Reported  
Substitute for HB521**

421 ~~of providing meals for the public, liquor and other~~, in a  
422 restaurant, alcoholic beverages for on-premises consumption.

423 ~~(8)~~h. To sell liquor and wine at retail for  
424 off-premises consumption.

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

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

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

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

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

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

437 o. To sell mixed spirit beverages at retail for  
438 off-premises consumption.

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

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

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

448 (2) ~~Provided, however, that the~~ Notwithstanding



**House Economic Development and Tourism Reported  
Substitute for HB521**

449 subdivision (1), licenses authorized under subdivision (1) may  
450 not be issued in dry counties where traffic in alcoholic  
451 beverages is not authorized by law, ~~therein~~ except a wine  
452 manufacturer license may be issued in a dry county pursuant to  
453 Section 28-7-10.1. ~~Provided the~~The restriction of this  
454 ~~paragraph~~subdivision shall not apply to the ~~issuance of a~~  
455 renewal of a license under ~~subdivisions (1), (2), (3), (4),~~  
456 ~~and (5)~~paragraphs (1)a. through (1)e. where the county or  
457 municipality was wet when the initial license was issued and  
458 the county or municipality subsequently votes dry; however, no  
459 importer or wholesaler licensee may sell or distribute  
460 alcoholic beverages within a dry county, except in a wet  
461 municipality therein, or within a dry municipality.

462 (b) The board is granted discretionary powers in acting  
463 upon license applications under the provisions of this  
464 chapter.

465 (c) Licenses issued under this chapter, unless revoked  
466 or suspended in the manner provided in this chapter, shall be  
467 valid for the license year which shall begin on the first day  
468 of October of each year, unless otherwise established by this  
469 chapter or by the board. Licenses may be issued at any time  
470 during the year."

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

473 "§28-3A-9.1

474 (a) Upon payment of the applicable fee for a mixed  
475 spirit beverages wholesaler license as established in Section  
476 28-3A-21, and the applicant's compliance with this chapter and



**House Economic Development and Tourism Reported  
Substitute for HB521**

477 rules adopted pursuant to this chapter, the board shall issue  
478 to a wholesaler a mixed spirit beverage wholesaler license.

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

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

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

485 (3) Sell at wholesale or distribute mixed spirit  
486 beverages to all licensees or other persons within this state  
487 lawfully authorized to sell mixed spirit beverages within the  
488 state.

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

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

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

497 (2) Notwithstanding this section, Section 28-3A-17.3,  
498 or Chapter 8B, the board shall retain the authority to act as  
499 a wholesaler of mixed spirit beverages, provided the board, as  
500 a wholesaler, shall only distribute mixed spirit beverages to  
501 state liquor stores.

502 §28-3A-17.3

503 (a) Upon payment of the limited mixed spirit beverage  
504 expanded retail license fee as established in Section



**House Economic Development and Tourism Reported  
Substitute for HB521**

505 28-3A-21, and the applicant's compliance with this chapter and  
506 the rules adopted thereunder, the board shall issue a limited  
507 mixed spirit beverage expanded retail license to any person  
508 who holds and possesses any of the following:

509 (1) A valid retail table wine license for on-premises  
510 and off-premises consumption as provided for in Section  
511 28-3A-14.

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

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

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

518 (b) A license issued under this section shall authorize  
519 the licensee to purchase mixed spirit beverages from a  
520 licensed mixed spirit beverages wholesaler and sell the mixed  
521 spirit beverages at retail commensurate with the privileges  
522 granted to the licensee to sell beer and table wine.

523 (c) The board shall retain all limited mixed spirit  
524 beverage expanded retail license fees collected. The board may  
525 use collected fees for regulatory and administrative purposes  
526 as determined by the board in its discretion, including for  
527 the purposes of occasional purchases by the board of mixed  
528 spirit beverages to ensure compliance with this chapter.

529 (d) Upon payment of a limited mixed spirit beverage  
530 expanded retail license fee, there shall be no additional  
531 licensing or administrative requirements, including no  
532 requirement for additional background checks imposed by the



**House Economic Development and Tourism Reported  
Substitute for HB521**

533 city, county, or state for licensees for the sale of mixed  
534 spirit beverages.

535 Section 6. Sections 28-3A-21 and 28-3A-23, Code of  
536 Alabama 1975, are amended to read as follows:

537 "§28-3A-21

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

541 (1) Manufacturer license, license fee of five hundred  
542 dollars (\$500).

543 (2) Importer license, license fee of five hundred  
544 dollars (\$500).

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

547 (4) ~~Wholesaler~~Beer wholesaler license, ~~beer~~-license fee  
548 of five hundred fifty dollars (\$550) ~~or wine license fee of~~  
549 ~~five hundred fifty dollars (\$550); license fee for beer and~~  
550 ~~wine of seven hundred fifty dollars (\$750);~~ plus two hundred  
551 dollars (\$200) for each warehouse in addition to the principal  
552 warehouse.

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

556 (6) Mixed spirit beverage wholesaler license, license  
557 fee of five hundred fifty dollars (\$550) plus two hundred  
558 dollars (\$200) for each warehouse in addition to the principal  
559 warehouse.

560 (7) Beer, wine, and mixed spirit beverage wholesaler



**House Economic Development and Tourism Reported  
Substitute for HB521**

561 license, license fee of one thousand dollars (\$1,000) plus two  
562 hundred dollars (\$200) for each warehouse in addition to the  
563 principal warehouse.

564 ~~(5)~~ (8) Warehouse license, license fee of two hundred  
565 dollars (\$200).

566 ~~(6)~~ (9) Lounge retail liquor license, license fee of  
567 three hundred dollars (\$300).

568 ~~(7)~~ (10) Restaurant retail liquor license, license fee  
569 of three hundred dollars (\$300).

570 ~~(8)~~ (11) Club liquor license, Class I license fee of  
571 three hundred dollars (\$300), Class II license fee of seven  
572 hundred fifty dollars (\$750).

573 ~~(9)~~ (12) Retail table wine license for off-premises  
574 consumption, license fee of one hundred fifty dollars (\$150).

575 ~~(10)~~ (13) Retail table wine license for on-premises and  
576 off-premises consumption, license fee of one hundred fifty  
577 dollars (\$150).

578 ~~(11)~~ (14) Retail beer license for on-premises and  
579 off-premises consumption, license fee of one hundred fifty  
580 dollars (\$150).

581 ~~(12)~~ (15) Retail beer license for off-premises  
582 consumption, license fee of one hundred fifty dollars (\$150).

583 ~~(13)~~ (16) Retail common carrier liquor license, license  
584 fee of one hundred fifty dollars (\$150) for each railroad,  
585 airline, bus line, ship line, vessel, or other common carrier  
586 entity with a vehicle passenger capacity of at least 10  
587 people.

588 ~~(14)~~ (17) Special retail license, license fee of one



**House Economic Development and Tourism Reported  
Substitute for HB521**

589 hundred dollars (\$100) for 30 days or less; license fee of two  
590 hundred fifty dollars (\$250) for more than 30 days.

591 ~~(15)~~ (18) Special events retail license, license fee of  
592 one hundred fifty dollars (\$150).

593 (19) Mixed spirit beverage expanded retail license,  
594 license fee of five hundred dollars (\$500).

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

597 (c) In addition to the foregoing filing fee and license  
598 taxes or fees, any county or municipality in which the sale of  
599 alcoholic beverages is permitted ~~shall be authorized to~~ may fix  
600 and levy privileges or license taxes on any of the foregoing  
601 licenses located or operated therein, conditioned on a permit  
602 or license being issued by the board.

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

605 "§28-3A-23

606 (a) No license prescribed in this title shall be issued  
607 or renewed until the provisions of this title have been  
608 complied with and the filing and license fees other than those  
609 levied by a municipality are paid to the board.

610 (b) Licenses shall be granted and issued by the board  
611 only to reputable individuals, to associations whose members  
612 are reputable individuals, or to reputable corporations  
613 organized under the laws of this state or duly qualified  
614 thereunder to do business in Alabama, or, in the case of  
615 manufacturers, duly registered under the laws of Alabama, and  
616 then only when it appears that all officers and directors of



**House Economic Development and Tourism Reported  
Substitute for HB521**

617 the corporation are reputable individuals.

618 (c) (1) In addition to all other requirements, an  
619 applicant for a license under this section shall submit to the  
620 board a form, sworn to by the applicant, providing written  
621 consent from the applicant for the release of criminal history  
622 background information. The form shall also require the  
623 applicant's name, date of birth, and Social Security number  
624 for completion of a criminal history background check.

625 (2) An applicant shall provide the board with two  
626 complete functional sets of fingerprints, either cards or  
627 electronic, properly executed by a criminal justice agency or  
628 an individual properly trained in fingerprinting techniques.  
629 The fingerprints and form shall be submitted by the board to  
630 the State Bureau of ~~Investigations~~Investigation of the Alabama  
631 State Law Enforcement Agency for the purposes of furnishing  
632 criminal background checks. The State Bureau of  
633 ~~Investigations~~Investigation shall forward a copy of the  
634 applicant's prints to the Federal Bureau of Investigation for  
635 a national criminal background check. The applicant shall pay  
636 all costs associated with the background checks required by  
637 this section.

638 (3) For purposes of this section, the term "applicant"  
639 ~~shall include~~includes every person who has any proprietary or  
640 profit interest of 10 percent or more in the licensed  
641 establishment, but shall not include any public corporation  
642 whose shares are traded on a recognized stock exchange.

643 (4) The board shall keep information received pursuant  
644 to this section confidential, except that information received



**House Economic Development and Tourism Reported  
Substitute for HB521**

645 and relied upon in denying the issuance of a license in this  
646 state may be disclosed as may be necessary to support the  
647 denial or when subpoenaed from a court.

648 (d) Every license issued under this title shall be  
649 constantly and conspicuously displayed on the licensed  
650 premises.

651 (e) Each retail liquor license application must be  
652 approved by the governing authority of the municipality if the  
653 retailer is located in a municipality, or by the county  
654 commission if the retailer is located in the county and  
655 outside the limits of the municipality, before the board shall  
656 have authority to grant the license.

657 (f) Any retailer may be granted licenses to maintain,  
658 operate, or conduct any number of places for the sale of  
659 alcoholic beverages, but a separate license must be secured  
660 for each place where alcoholic beverages are sold. No retail  
661 license issued under this title shall be used for more than  
662 one premises, nor for separate types of operation on the same  
663 premises. Provided, however, any such licensed retail  
664 operation existing on May 14, 2009, and operating based on  
665 dual licenses, both a club or lounge license and a restaurant  
666 license, on the same premises shall be exempt from the  
667 requirement of the preceding sentence and may continue to  
668 operate under the dual licenses. Any rule adopted by the board  
669 relating to the requirements concerning dual licenses, both a  
670 club or lounge license and a restaurant license, shall not  
671 apply to any retail operation existing on May 14, 2009. The  
672 rules shall include, but not be limited to, the maintenance of



**House Economic Development and Tourism Reported  
Substitute for HB521**

673 separate books, separate entrances, and separate inventories.  
674 Each premises must have a separate retail license. Where more  
675 than one retail operation is located within the same building,  
676 each operation under a separate or different ownership is  
677 required to obtain a separate retail license; and where more  
678 than one type of retail operation located within the same  
679 building is operated by the same licensee, the licensee must  
680 have a license for each type of retail operation. Provided,  
681 there shall be no licenses issued by the board for the sale of  
682 liquor, beer, or wine by rolling stores.

683 (g) No retailer shall sell any alcoholic beverages for  
684 consumption on the licensed premises except in a room or rooms  
685 or place on the licensed premises at all times accessible to  
686 the use and accommodation of the general public; but this  
687 section shall not be interpreted to prevent a hotel or club  
688 licensee from selling alcoholic beverages in any room of the  
689 hotel or club house occupied by a bona fide registered guest  
690 or member or private party entitled to purchase the same.

691 (h) All beer, except draft or keg beer, sold by  
692 retailers must be sold or dispensed in bottles, cans, or other  
693 containers not to exceed 25.4 ounces. All wine sold by  
694 retailers for off-premises consumption must be sold or  
695 dispensed in bottles or other containers in accordance with  
696 the standards of fill specified in the then effective  
697 standards of fill for wine prescribed by the U.S. Treasury  
698 Department.

699 (i) Draft or keg beer may be sold or dispensed within  
700 this state within those counties in which and in the manner in



**House Economic Development and Tourism Reported  
Substitute for HB521**

701 which the sale of draft or keg beer was authorized by law on  
702 September 30, 1980, or in which the sale of draft or keg beer  
703 is hereafter authorized by law. ~~In rural communities with a~~  
704 ~~predominantly foreign population, after the payment of the tax~~  
705 ~~imposed by this title, draft or keg beer may be sold or~~  
706 ~~dispensed by special permit from the board, when, in the~~  
707 ~~judgment of the board, the use and consumption of draft or keg~~  
708 ~~beer is in accordance with the habit and customs of the people~~  
709 ~~of any such rural community. The board may grant to any civic~~  
710 ~~center authority or its franchisee or concessionaire, to which~~  
711 ~~the board may have issued or may simultaneously issue a retail~~  
712 ~~license under the provisions of this title, a revocable~~  
713 ~~temporary permit to sell or dispense in any part of its civic~~  
714 ~~center, for consumption therein, draft or keg beer. Either~~  
715 ~~permit shall be promptly revoked by the board if, in its~~  
716 ~~judgment, the same tends to create intemperance or is~~  
717 ~~prejudicial to the welfare, health, peace, temperance, and~~  
718 ~~safety of the people of the community or of the state.~~

719 (j) No importer shall sell alcoholic beverages to any  
720 person other than a wholesaler licensee, or sell to a  
721 wholesaler licensee any brand or brands of alcoholic beverages  
722 for sale or distribution in this state, except where the  
723 importer has been granted written authorization from the  
724 manufacturer thereof to import and sell the brand or brands to  
725 be sold in this state, which authorization is on file with the  
726 board.

727 (k) No wholesaler shall maintain or operate any place  
728 where sales are made other than that for which the wholesale



**House Economic Development and Tourism Reported  
Substitute for HB521**

729 license is granted; provided, however, a wholesaler may be  
730 licensed to sell and distribute liquor, wine, ~~and~~ beer, and  
731 mixed spirit beverages. No wholesaler shall maintain any place  
732 for the storage of liquor, wine, ~~or~~ beer, or mixed spirit  
733 beverages unless the same has been approved by the board. No  
734 wholesaler license shall be issued for any premises in any  
735 part of which there is operated any retail license for the  
736 sale of alcoholic beverages.

737 (l) Licenses issued under this title may not be  
738 assigned. The board may transfer any license from one person  
739 to another, or from one place to another within the same  
740 governing jurisdiction, or both, as the board may determine;  
741 but no transfers shall be made to a person who would not have  
742 been eligible to receive the license originally, nor for the  
743 transaction of business at a place for which the license could  
744 not originally have been issued lawfully.

745 (m) Every applicant for a transfer of a license shall  
746 file a written application with the board within such time as  
747 the board shall fix in its rules. Whenever any license is  
748 transferred, there shall be collected a filing fee of fifty  
749 dollars (\$50), to be paid to the board, and the board shall  
750 pay the fee into the State Treasury to the credit of the Beer  
751 Tax and License Fund of the board.

752 (n) In the event that any person to whom a license has  
753 been issued under the terms of this title becomes insolvent,  
754 makes an assignment for the benefit of creditors, or is  
755 adjudicated as bankrupt by either voluntary or involuntary  
756 action, the license of the person shall immediately terminate



**House Economic Development and Tourism Reported  
Substitute for HB521**

757 and be ~~canceled~~canceled without any action on the part of the  
758 board, and there shall be no refund made, or credit given, for  
759 the unused portion of the license fee for the remainder of the  
760 license year for which the license was granted. Thereafter, no  
761 license shall be issued by the board for the premises, wherein  
762 the license was conducted, to any assignee, committee,  
763 trustee, receiver, or successor of the licensee until a  
764 hearing has been held by the board as in the case of a new  
765 application for license. In all such cases, the board shall  
766 have the sole and final discretion as to the propriety of the  
767 issuance of a license for the premises, the time it shall  
768 issue, and the period for which it shall be issued, and shall  
769 have the further power to impose conditions under which the  
770 licensed premises shall be conducted."

771 Section 7. Sections 28-3A-1.5, 28-3A-11, 28-3A-12,  
772 28-3A-13, 28-3A-17.2, 28-3A-18, 28-3A-19, 28-3A-19.1, and  
773 28-3A-20, Code of Alabama 1975, are amended to read as  
774 follows:

775 "§28-3A-1.5

776 (a) Definitions.

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

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

782 (2) QUALIFYING ORGANIZATION. A bona fide nonprofit  
783 organization operating in the state that satisfies all of the  
784 following requirements:



**House Economic Development and Tourism Reported  
Substitute for HB521**

785 a. Operates without profit to the organization's  
786 members.

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

789 c. Satisfies at least one of the following  
790 requirements:

791 1. Has been continuously in existence in the state for  
792 a minimum of three years.

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

795 3. Has reorganized and is continuing its mission under  
796 a new name on file with the Secretary of State and with a new  
797 tax identification number after having satisfied the  
798 requirements set forth in either subparagraph 1. or 2.

799 (b) Licensed authorized.

800 The board may issue a ~~Nonprofit Special Events Retail~~  
801 ~~License~~ nonprofit special events retail license for the sale  
802 of beer, wine, mixed spirit beverages, and liquor to a  
803 qualifying organization.

804 (c) Applications for nonprofit special events retail  
805 license.

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

811 (2) The applicant shall provide the board all of the  
812 following:



**House Economic Development and Tourism Reported  
Substitute for HB521**

813 a. Documentation to show that the nonprofit is a  
814 qualifying organization.

815 b. A notarized, signed statement of proper authority  
816 from the person signing the application.

817 c. Date, time, and address of the event location. The  
818 applicant may also include an alternate event date or  
819 location.

820 d. Documentation of authority for use of property for  
821 the requested event.

822 e. A copy of the letter notifying the local governing  
823 officials of the event.

824 (3) A qualifying organization that applies for a  
825 nonprofit special events retail license shall not be required  
826 to provide evidence of liquor liability insurance.

827 (4) The board may request additional documentation at  
828 its discretion.

829 (5) Nonprofit special event retail licenses are not  
830 renewable and are valid for a period not to exceed seven days,  
831 and are issued upon terms and conditions as the board may  
832 prescribe.

833 (d) Donated alcohol.

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

836 (e) Rulemaking authority.

837 The board may adopt rules necessary for the  
838 implementation and administration of this section and Section  
839 28-3A-6."

840 "§28-3A-11



**House Economic Development and Tourism Reported  
Substitute for HB521**

841           Upon applicant's compliance with the provisions of this  
842 chapter and the regulations made thereunder, the board~~shall~~,  
843 where the application is accompanied by a certificate from the  
844 clerk or proper officer setting out that the applicant has  
845 presented his or her application to the governing authority of  
846 the municipality, if the licensed premises is to be located  
847 therein, and has obtained its consent and approval, shall  
848 issue a retail liquor license which will authorize the  
849 licensee to purchase liquor and wine from the board or as  
850 authorized by the board and to purchase table wine, mixed  
851 spirit beverages, and beer, including draft or keg beer in any  
852 county or municipality in which the sale thereof is permitted,  
853 from any wholesaler licensee of the board and to sell at  
854 retail liquor and wine, dispensed from containers of any size,  
855 mixed spirit beverages in containers not to exceed 16 ounces,  
856 and beer, including draft or keg beer in any county or  
857 municipality in which the sale thereof is permitted, to  
858 patrons. A lounge liquor licensee may permit dancing or  
859 provide other lawful entertainment on the licensed premises.  
860 No person under 19 years of age shall be admitted on the  
861 premises of any lounge liquor licensee as a patron or  
862 employee, and it shall be unlawful for any such licensee to  
863 admit any minor to the premises as a patron or employee."

864           "§28-3A-12

865           Upon applicant's compliance with the provisions of this  
866 chapter and the regulations made thereunder, the board~~may~~,  
867 where the application is accompanied by a certificate from the  
868 clerk or proper officers setting out that the applicant has



**House Economic Development and Tourism Reported  
Substitute for HB521**

869 presented his or her application to the governing authority of  
870 the municipality, if the licensed premises is to be located  
871 therein, and has obtained its consent and approval, may issue  
872 a club liquor license for a club which will authorize the  
873 licensee to purchase liquor and wine from the board or as  
874 authorized by the board and to purchase table wine, mixed  
875 spirit beverages, and beer, including draft or keg beer in any  
876 county or municipality in which the sale thereof is permitted,  
877 from any wholesale licensee of the board and to sell liquor  
878 and wine, dispensed from containers of any size, mixed spirit  
879 beverages in containers not to exceed 16 ounces, and beer,  
880 including draft or keg beer, in any county or municipality in  
881 which the sale thereof is permitted, to the members of the  
882 club or their guests for on-premises consumption and to sell  
883 all of the above for off-premises consumption except on  
884 Sunday."

885 "§28-3A-13

886 (a) Upon applicant's compliance with this chapter and  
887 the rules adopted thereunder, the board shall, where the  
888 application is accompanied by a certificate from the clerk or  
889 proper officer setting out that the applicant has presented  
890 his or her application to the governing authority of the  
891 municipality, if the licensed premises is to be located  
892 therein, and has obtained its consent and approval issue a  
893 restaurant liquor license for a hotel, restaurant, civic  
894 center authority, or dinner theater which will authorize the  
895 licensee to purchase liquor and wine from the board or as  
896 authorized by the board and to purchase table wine, mixed



**House Economic Development and Tourism Reported  
Substitute for HB521**

897 spirit beverages, and beer, including draft or keg beer, in  
898 any county or municipality in which the sale thereof is  
899 permitted, from any wholesale licensee of the board and, in  
900 that part of the hotel, restaurant, club, or dinner theater  
901 set out in the license, to sell liquor and wine, dispensed  
902 from containers of any size, mixed spirit beverages in  
903 containers not to exceed 16 ounces, and beer, including draft  
904 or keg beer, in any county or municipality in which the sale  
905 thereof is permitted, to the patrons, guests, or members for  
906 on-premises consumption in any part of the civic center or in  
907 that part of the hotel, restaurant, or dinner theater  
908 habitually used for serving meals to patrons, guests, or  
909 members, or other public or private rooms of the building in  
910 accordance with this chapter and the rules adopted thereunder,  
911 and where a restaurant located in a hotel, but not operated by  
912 the owner of the hotel, is licensed to sell alcoholic  
913 beverages in the restaurant, it may also sell alcoholic  
914 beverages to guests in private rooms in the hotel.

915 (b) In accordance with Section 28-3A-13.1, a restaurant  
916 retail liquor licensee licensed to sell beer, wine, mixed  
917 spirit beverages, or spirits for on-premises consumption may  
918 apply for and be issued a delivery service license that  
919 authorizes the licensee to deliver, along with the purchase of  
920 a meal, beer, wine, mixed spirit beverages, or spirits from  
921 the retailer's premises."

922 "§28-3A-17.2

923 (a) As used in this section, "food or beverage truck"  
924 means a fully encased food or beverage service establishment



**House Economic Development and Tourism Reported  
Substitute for HB521**

925 approved by the Department of Public Health, which is housed  
926 on a motor vehicle or on a trailer that a motor vehicle pulls  
927 to transport, and from which a vendor, standing within the  
928 frame of the vehicle, prepares, cooks, sells, or serves food  
929 or beverages, or both, for immediate human consumption. The  
930 term does not include a food or beverage cart that is not  
931 motorized.

932 (b) (1) Upon a food or beverage truck applicant's  
933 compliance with this chapter and any rules adopted thereunder,  
934 and upon presentation of the certificate described in  
935 subdivision (2), the board shall issue to the applicant a food  
936 or beverage truck license that will authorize the licensee to  
937 purchase liquor and wine from the board or, as authorized by  
938 the board, table wine, mixed spirit beverages, and beer,  
939 including draft or keg beer, from any wholesale licensee of  
940 the board and to sell alcoholic beverages for on-premises  
941 consumption to guests who may consume the beverages in open  
942 containers anywhere within an area designated by the municipal  
943 governing body within an established entertainment district,  
944 provided the license is not prohibited by a valid ordinance or  
945 other ordinance in the valid exercise of police power by the  
946 governing body of the municipality in which the food or  
947 beverage truck is located.

948 (2) An applicant shall obtain from the municipality in  
949 which the food or beverage truck intends to operate a  
950 certificate setting out that the applicant has presented his  
951 or her application to the governing body of the municipality  
952 and the municipality approves of the issuance of the license



**House Economic Development and Tourism Reported  
Substitute for HB521**

953 for the food or beverage truck to sell alcoholic beverages.

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

956 (d) A food or beverage truck operating outside the  
957 designated entertainment district may not sell alcoholic  
958 beverages.

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

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

965 (g) Each food or beverage truck licensee shall collect  
966 and remit all state and local sales and use taxes and all  
967 excise and privilege taxes due on the sale of alcoholic  
968 beverages.

969 (h) A food or beverage truck licensee may not serve or  
970 be authorized to serve any food or beverage within 150 feet of  
971 any entrance to any permanent restaurant or to any Alcoholic  
972 Beverage Control Board licensee.

973 (i) The board, by rule, may require security cameras in  
974 all licensed food or beverage trucks and may require a barrier  
975 be placed as a boundary around the vicinity of the food or  
976 beverage truck or group of food or beverage trucks within  
977 which consumption of alcoholic beverages is permitted. The  
978 board shall adopt additional reasonable rules to protect  
979 public health and safety."

980 "§28-3A-18



**House Economic Development and Tourism Reported  
Substitute for HB521**

981           Upon applicant's compliance with the provisions of this  
982 chapter and the regulations made thereunder, the board shall  
983 issue a retail common carrier liquor license for a railroad,  
984 airline, bus line, ship line, vessel, or other common carrier  
985 entity operating passenger vehicles with a passenger seating  
986 capacity of at least 10 people, which will authorize the  
987 licensee to sell, whenever operated in Alabama, alcoholic  
988 beverages, liquor, mixed spirit beverages, wine, and beer,  
989 including draft beer, to passengers for consumption while  
990 aboard such licensee. No railroad, airline, bus line, ship  
991 line, vessel, or common carrier entity shall sell alcoholic  
992 beverages to passengers for consumption within this state  
993 without first obtaining a retail common carrier liquor license  
994 from the board.

995           Sales within Alabama of alcoholic beverages by retail  
996 common carrier liquor licensees shall be made in accordance  
997 with and shall be subject to the provisions of this chapter  
998 and regulations ~~promulgated~~ adopted thereunder."

999           "§28-3A-19

1000           Upon applicant's compliance with the provisions of this  
1001 chapter and the regulations made thereunder, the board shall  
1002 issue a special retail license in wet counties for a state  
1003 park, racing commission, fair authority, airport authority, or  
1004 civic center authority, or the franchises or concessionaire of  
1005 such park, commission, or authority, and may, in its  
1006 discretion, issue a special retail license to any other valid,  
1007 responsible organization of good reputation for such period of  
1008 time not to exceed one year and upon such terms and conditions



**House Economic Development and Tourism Reported  
Substitute for HB521**

1009 as the board shall prescribe, which will authorize the  
1010 licensee to purchase, where the retail sale thereof is  
1011 authorized by the board, liquor and wine from the board or as  
1012 authorized by the board and table wine, mixed spirit  
1013 beverages, and beer from any wholesale licensee of the board  
1014 and to sell at retail and dispense such alcoholic beverages as  
1015 are authorized by the board at such locations authorized by  
1016 the board upon such terms and conditions as prescribed by the  
1017 board. Provided, however, no sale of alcoholic beverages shall  
1018 be permitted on any Sunday after the hour of 2:00 A.M."

1019 "§28-3A-19.1

1020 (a) Upon compliance by an applicant with the provisions  
1021 of this chapter, and the regulations made thereunder, the  
1022 Alcoholic Beverage Control Board may, where the application is  
1023 accompanied by a certificate from the clerk or proper officers  
1024 setting out that the applicant has presented his or her  
1025 application to the governing authority of the municipality if  
1026 the licensed premises is to be located therein, or by a  
1027 certificate from the clerk or proper officers of the county if  
1028 the licensed premises is to be located within the county but  
1029 outside the jurisdiction of a municipality, and that the  
1030 applicant has obtained the consent and approval of the proper  
1031 governing authority, issue an international motor speedway  
1032 license for any international motor speedway in the state  
1033 which marketed at least 60,000 tickets to at least two motor  
1034 sport racing events at the speedway in 1994, 1995, and 1996.  
1035 Notwithstanding the provisions of ~~subdivisions (20) and (21)~~  
1036 ~~of subsection (a) of Section 28-3A-25~~ Section 28-3A-25(a) (20)



**House Economic Development and Tourism Reported  
Substitute for HB521**

1037 and (21), the international motor speedway license shall  
1038 authorize the licensee to purchase liquor and wine from the  
1039 board, or as authorized by the board, and to purchase table  
1040 wine, mixed spirit beverages, and beer, in any county or  
1041 municipality in which the sale thereof is permitted, from any  
1042 wholesale licensee of the board and to sell liquor and wine,  
1043 dispensed from containers of any size, mixed spirit beverages  
1044 in containers not to exceed 16 ounces, and beer in any county  
1045 or municipality in which the sale thereof is permitted, for  
1046 on-premises consumption each day of the week, including  
1047 Sundays, and to sell all of the aforementioned for  
1048 off-premises consumption except on Sunday. Such sales shall be  
1049 incidental to the primary purpose of recreation and athletics,  
1050 and shall be confined to those buildings, facilities, and  
1051 grounds which comprise the speedway.

1052 (b) An annual license fee of three hundred dollars  
1053 (\$300) is levied and prescribed for an international motor  
1054 speedway license issued and renewed by the board pursuant to  
1055 the authority contained in this section and this chapter."

1056 "§28-3A-20

1057 Upon applicant's compliance with this chapter and the  
1058 regulations made thereunder, and upon application made on a  
1059 form provided by the board at least 25 days in advance of the  
1060 event for which a license is granted, the board shall issue a  
1061 special events license for a valid, responsible organization  
1062 of good reputation, for a period not to exceed seven days, and  
1063 upon such terms and conditions as the board may prescribe. The  
1064 license shall authorize the licensee to purchase, where the



**House Economic Development and Tourism Reported  
Substitute for HB521**

1065 retail sale thereof is authorized by the board, liquor and  
1066 wine from the board or as authorized by the board and table  
1067 wine, mixed spirit beverages, and beer from any wholesale  
1068 licensee of the board and to sell at retail and dispense such  
1069 alcoholic beverages as are authorized by the board to the  
1070 patrons, guests, or members of the organization at such  
1071 locations or areas as shall be authorized by the board upon  
1072 such terms and conditions as prescribed by the board. No sale  
1073 of alcoholic beverages shall be permitted on any Sunday after  
1074 the hour of 2:00 ~~A.M~~ a.m."

1075 Section 8. Chapter 8B, commencing with Section 28-8B-1,  
1076 is added to Title 28 of the Code of Alabama 1975, to read as  
1077 follows:

1078 §28-8B-1

1079 (a) The Legislature hereby finds and declares that this  
1080 chapter is enacted pursuant to the authority granted to the  
1081 state under the Twenty-First Amendment to the United States  
1082 Constitution, the powers reserved to the state under the Tenth  
1083 Amendment to the United States Constitution, and the inherent  
1084 powers of the state under the Constitution of Alabama of 2022,  
1085 in order to regulate the traffic of alcoholic beverages and to  
1086 substitute the regulations and oversight established in this  
1087 act for the application of federal and state antitrust laws  
1088 that otherwise would apply to any potential anti-competitive  
1089 effects of this title. For the avoidance of doubt, the intent  
1090 of the Legislature is to maintain the uniform three-tier  
1091 system of control over the sale, purchase, taxation,  
1092 transportation, manufacture, consumption, and possession of



**House Economic Development and Tourism Reported  
Substitute for HB521**

1093 alcoholic beverages in the state to promote the health,  
1094 safety, and welfare of residents of this state by, among other  
1095 purposes, ensuring the state shall be able to register, audit,  
1096 inspect, seize, recall, and test alcoholic beverages shipped  
1097 into, distributed, and sold throughout this state; and this  
1098 expression of the policy and intent of the Legislature is  
1099 intended to satisfy the clear articulation test for state  
1100 action immunity as has been established by the United States  
1101 Supreme Court in *California Retail Liquor Dealers Assn. v.*  
1102 *Midcal Aluminum, Inc., et al.*

1103 (b) If any provision of this chapter, or its  
1104 application to any person or circumstance, is determined by a  
1105 court to be invalid or unconstitutional, that provision shall  
1106 be stricken and the remaining provisions shall be construed in  
1107 accordance with the intent of the Legislature to further limit  
1108 rather than expand commerce in alcoholic beverages, including  
1109 by prohibiting any commerce in alcoholic beverages not  
1110 expressly authorized, and to enhance strict regulatory control  
1111 over taxation, distribution, and sale of alcoholic beverages  
1112 through the existing uniform system of regulation of alcoholic  
1113 beverages.

1114 §28-8B-2

1115 (a) This chapter applies only to mixed spirit beverages  
1116 and does not apply to regulation of beer or wine franchises.

1117 (b) Nothing in this chapter shall be deemed to repeal  
1118 or amend any existing beer or wine franchise laws. This  
1119 chapter is intended to address mixed spirit beverages, and to  
1120 leave in effect and unchanged any local or state franchise



**House Economic Development and Tourism Reported  
Substitute for HB521**

1121 laws existing on the effective date of this act.

1122 §28-8B-3

1123 (a) Each supplier of mixed spirit beverages licensed by  
1124 the board to sell its mixed spirit beverages within the State  
1125 of Alabama shall sell its mixed spirit beverages only through  
1126 wholesaler licensees of the board and shall grant in writing  
1127 to each of its wholesalers a distribution agreement which  
1128 contains the wholesaler's exclusive sales territory for the  
1129 distribution of the supplier's designated brand in accordance  
1130 with Chapter 8.

1131 (b) A licensed retailer may not purchase mixed spirit  
1132 beverages from any entity other than the licensed wholesaler  
1133 designated by the manufacturer of the mixed spirit beverages.

1134 §28-8B-4

1135 (a) For the purposes of this chapter, the following  
1136 terms have the following meanings:

1137 (1) DISTRIBUTION AGREEMENT. Any written and signed  
1138 agreement between a wholesaler and a supplier, whereby a  
1139 wholesaler is granted the right to purchase and sell a brand  
1140 of mixed spirit beverages sold by a supplier.

1141 (2) FAIR MARKET VALUE. An amount equal to a multiple of  
1142 the wholesaler's gross profit on the wholesaler's sales of the  
1143 supplier's products in the 12-month period immediately  
1144 preceding the date of the notice of termination or nonrenewal  
1145 by supplier.

1146 (3) GOOD CAUSE. A material breach by the wholesaler of  
1147 an essential element in a distribution agreement with a  
1148 supplier which is uncured or which reoccurs three or more



**House Economic Development and Tourism Reported  
Substitute for HB521**

1149 times.

1150 (4) GROSS PROFIT. The wholesaler's selling price, net  
1151 of promotions, discounts, allowances, and freight, of the  
1152 products sold during such 12-month period, less the  
1153 wholesaler's cost to purchase the products from the supplier,  
1154 net of any discounts, promotions, and allowances from  
1155 supplier.

1156 (b) Upon a supplier's termination or nonrenewal of a  
1157 distribution agreement with a wholesaler, except where  
1158 termination or nonrenewal is for good cause, the supplier  
1159 shall pay the wholesaler reasonable compensation in an amount  
1160 equal to the fair market value of the wholesaler's business  
1161 attributable to the supplier's portfolio, including the value  
1162 of the distribution rights, current saleable inventory,  
1163 goodwill, and other relevant assets.

1164 (c) The supplier and wholesaler shall have 30 days  
1165 following receipt of the supplier's notice of termination or  
1166 nonrenewal to agree upon a multiple of gross profit in  
1167 determining fair market value. Following the notice of  
1168 termination or nonrenewal, but prior to determination of the  
1169 fair market value of the supplier's portfolio, the supplier  
1170 and wholesaler shall each continue to operate in good faith in  
1171 the regular course of the business relationship.

1172 (d) (1) In determining fair market value, in the event  
1173 that supplier and wholesaler cannot agree upon the multiple of  
1174 gross profit after 30 days, the parties shall then have 10  
1175 business days to each, at their own cost, appoint an  
1176 independent third-party appraiser with demonstrable experience



**House Economic Development and Tourism Reported  
Substitute for HB521**

1177 in valuating alcoholic beverage distribution rights. Each  
1178 party's independent appraiser, within 30 days, shall submit in  
1179 writing the fair market value appraisal of the supplier's  
1180 portfolio, including disclosing the multiple of gross profit  
1181 used to arrive at the valuation.

1182 (2) If the independent appraisers' valuations of the  
1183 supplier's portfolio are within 10 percent of each other, the  
1184 fair market value shall be the average of the two valuations.

1185 (3) If the independent appraisers' valuations are not  
1186 within 10 percent of each other, a third independent appraiser  
1187 with experience in valuating alcoholic beverage distribution  
1188 rights shall be retained by mutual agreement of the parties  
1189 within 10 business days to assess the fair market value, and  
1190 the fair market value shall be submitted in writing by the  
1191 third independent appraiser within 30 days. The cost of the  
1192 third independent appraiser shall be shared equally by the  
1193 parties. The fair market value shall then be the average of:  
1194 (i) the third independent appraiser's valuation; and (ii) the  
1195 average of the first two valuations.

1196 (e) The supplier shall have no more than seven business  
1197 days after the determination of fair market value within which  
1198 to remit payment of reasonable compensation to the wholesaler.

1199 Section 9. If any provision of this act, or its  
1200 application to any person or circumstance, is determined by a  
1201 court to be invalid or unconstitutional, that provision shall  
1202 be stricken and the remaining provisions shall be construed in  
1203 accordance with the intent of the Legislature to further limit  
1204 rather than expand commerce in alcoholic beverages, including



**House Economic Development and Tourism Reported  
Substitute for HB521**

1205 by prohibiting any commerce in alcoholic beverages not  
1206 expressly authorized, and to enhance strict regulatory control  
1207 over taxation, distribution, and sale of alcoholic beverages  
1208 through the existing uniform system of regulation of alcoholic  
1209 beverages.

1210 Section 10. This act shall become effective on October  
1211 1, 2025.