

1 SB289  
2 216386-2  
3 By Senator Whatley  
4 RFD: Judiciary  
5 First Read: 02-MAR-22

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8 SYNOPSIS: Under existing law, the Alabama Alcoholic  
9 Beverage Control Board acts as the sole importer  
10 and wholesaler of liquor products for both state  
11 and private liquor stores.

12 This bill would require the board, prior to  
13 delivery of any non-allocated liquor product to any  
14 state liquor store, to allow private liquor  
15 licensees 30 days to select whether to add that  
16 liquor to its inventory.

17 This bill would require the board to  
18 distribute allocated liquor products to private  
19 liquor licensees and state liquor stores pursuant  
20 to a specified ratio.

21 This bill would define "allocated liquor  
22 products" and would establish the Allocated Liquor  
23 Product Advisory Board with the power and duty to  
24 determine which liquor products shall be designated  
25 as allocated liquor products.

1                   This bill would also provide that a private  
2                   liquor retailer may purchase liquor products from  
3                   any state liquor store, under certain conditions.  
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5                                   A BILL  
6                                   TO BE ENTITLED  
7                                   AN ACT  
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9                   Relating to alcoholic beverages; to require the  
10                  Alcoholic Beverage Control Board to allow private liquor  
11                  retailers an opportunity to add certain liquors to their  
12                  inventory prior to delivery of those liquors to state liquor  
13                  stores; to provide further for the distribution of certain  
14                  liquors; to define allocated liquor products; to establish the  
15                  Allocated Liquor Product Advisory Board to designate which  
16                  liquor products shall be allocated liquor products; to provide  
17                  that a private liquor retailer may purchase liquor products  
18                  from any state liquor store, under certain conditions; and to  
19                  authorize the Alcoholic Beverage Control Board to adopt rules  
20                  to implement this act.

21                  BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22                                  Section 1. For purposes of this act, the following  
23                  terms shall have the following meanings:

24                                  (1) ADVISORY BOARD. The Allocated Liquor Product  
25                  Advisory Board established by this act.

1           (2) ALLOCATED PRODUCT or ALLOCATED LIQUOR PRODUCT. A  
2 liquor product that has been designated by the advisory board  
3 as "allocated" pursuant to Section 3.

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

5           (4) LIQUOR. As defined in Section 28-3-1, Code of  
6 Alabama 1975.

7           (5) PRIVATE LIQUOR LICENSEE. Any person or entity  
8 licensed by the board to make retail sales of liquor for  
9 on-premises or off-premises consumption, or both, except for  
10 any state liquor store.

11           (6) STATE LIQUOR STORE. A liquor store operated by  
12 the board, where alcoholic beverages other than beer are  
13 authorized to be sold in unopened containers.

14           Section 2. (a) (1) Prior to delivering any  
15 non-allocated liquor product to any state liquor store, the  
16 board, in its liquor wholesaler capacity, shall allow each  
17 private liquor licensee 30 days to select whether to add that  
18 liquor to its inventory.

19           (2) A private liquor licensee may not select more  
20 than 50 percent of available non-allocated liquor products if  
21 the amount of available non-allocated liquor products is  
22 greater than 10 cases.

23           (3) The board shall fulfill all timely selections of  
24 liquors made by a private liquor licensee pursuant to this  
25 subsection prior to making any delivery of those liquors to a  
26 state liquor store.

1 (b) The board shall ensure that each shipment or  
2 order of allocated liquor products received is distributed as  
3 follows:

4 (1) Eighty percent of the products to private liquor  
5 licensees.

6 (2) Twenty percent of the products to the board.

7 Section 3. (a) There is established the Allocated  
8 Liquor Product Advisory Board, with the purpose of determining  
9 which liquor products shall be designated as allocated liquor  
10 products. The advisory board shall be composed as follows:

11 (1) The chair of the Alabama Alcoholic Beverage  
12 Control Board, or his or her designee.

13 (2) One lounge retail liquor class I licensee,  
14 appointed by the Alabama Beverage Licensees Association.

15 (3) One lounge retail liquor class II licensee,  
16 appointed by the Alabama Beverage Licensees Association.

17 (4) One restaurant retail liquor licensee, appointed  
18 by the Alabama Hospitality and Restaurant Association.

19 (5) One special retail licensee, appointed by the  
20 Alabama Beverage Licensees Association.

21 (6) Two liquor manufacturer representatives,  
22 appointed by the Distiller's League.

23 (7) Two liquor distributor representatives,  
24 appointed by the Distiller's League.

25 (b) The appointing authorities shall coordinate  
26 their appointments to ensure that the advisory board

1 membership is inclusive and reflects the racial, gender,  
2 geographic, urban, rural, and economic diversity of the state.

3 (c) An appointing authority may replace its  
4 appointee during that appointee's term only for cause of  
5 willful neglect of duty, corruption in office, incompetency,  
6 or malfeasance.

7 (d) (1) If any appointing authority ceases to exist,  
8 the advisory board, by majority vote, shall designate an  
9 organization of similar or equal importance to make all  
10 subsequent appointments previously delegated to the authority  
11 that ceased to exist.

12 (2) Except for replacement for cause as provided in  
13 subsection (c), a succeeding appointing authority designated  
14 pursuant to this subsection may not replace an appointee made  
15 by the previous appointing authority until the end of the term  
16 of that appointee.

17 (e) (1) Each appointing authority shall make its  
18 initial appointment pursuant to subsection (a) prior to  
19 September 1, 2022, on which date the term of office of the  
20 appointees shall begin.

21 (2) The members of the advisory board shall serve  
22 for a term of two years, except that the first term of each  
23 initial appointment made pursuant to subdivisions (3) and (4)  
24 of subsection (a) shall be for three years, and the appointing  
25 authorities of subdivisions (6) and (7) of subsection (a)  
26 shall each designate one of their initial appointments to  
27 serve for a first term of three years.

1 (f) At its first meeting of each year, the advisory  
2 board shall elect a chair and vice chair, who shall each serve  
3 in that role until his or her successor is elected at the  
4 first meeting of the following year.

5 (g) (1) The advisory board shall meet no less often  
6 than once each quarter.

7 (2) Meetings of the advisory board shall comply with  
8 the Alabama Open Meetings Act.

9 (3) The advisory board may take action by majority  
10 vote.

11 (h) (1) No less often than once each quarter, the  
12 advisory board shall make determinations regarding which  
13 liquor products shall be designated as liquor products for the  
14 subsequent quarter, and shall report those determinations to  
15 the Alabama Alcoholic Beverage Control Board at the conclusion  
16 of the meeting in which the determinations were made.

17 (2) Upon receipt of determinations by the Alabama  
18 Alcoholic Beverage Control Board, the board shall distribute  
19 those allocated liquors as provided in subsection (b) of  
20 Section 2 for the remainder of that quarter or until the  
21 advisory board determines that the allocated liquor should no  
22 longer be an allocated liquor, whichever is later.

23 Section 4. A private liquor licensee may purchase  
24 liquor from any state liquor store. If a state liquor store  
25 makes retail sales to the public, a private liquor licensee  
26 may purchase liquor at that store at the same price and under  
27 the same conditions as a customer who is an individual.

1                   Section 5. The Alcoholic Beverage Control Board may  
2                   adopt rules to implement this act.

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