

1 SB41
2 215098-2
3 By Senator Smitherman
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 11-JAN-22

1 SB41

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4 ENROLLED, An Act,

5 Relating to entertainment districts in Class 1
6 municipalities; to amend Section 28-3A-17.1, Code of Alabama
7 1975, as amended by Act 2021-350 of the 2021 Regular Session,
8 to authorize the governing body of a Class 1 municipality to
9 establish up to 15 entertainment districts within its
10 corporate limits under certain conditions.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. The Legislature declares that this act
13 regulates the liquor traffic within the meaning and intent of
14 Section 104 of the Constitution of Alabama of 1901, now
15 appearing as Section 104 of the Official Recompilation of the
16 Constitution of Alabama of 1901, as amended.

17 Section 2. Section 28-3A-17.1, Code of Alabama 1975,
18 as amended by Act 2021-350 of the 2021 Regular Session, is
19 amended to read as follows:

20 "§28-3A-17.1.

21 "(a) (1) Notwithstanding any rule adopted by the
22 board, the board may issue an entertainment district
23 designation to any retailer licensee that is licensed to sell
24 alcoholic beverages for on-premises consumption and to any
25 manufacturer licensee that conducts tastings or samplings on

1 the licensed premises, provided the licensees are located in
2 an entertainment district established pursuant to this
3 section.

4 "(2) A licensee who receives an entertainment
5 district designation under this subsection shall comply with
6 all laws and rules governing its license type, except that the
7 patrons, guests, or members of that licensee may exit that
8 licensed premises with open containers of alcoholic beverages
9 and consume alcoholic beverages anywhere within the confines
10 of the entertainment district, which shall be permitted, but
11 may not enter another licensed premises with open containers
12 or closed containers of alcoholic beverages acquired
13 elsewhere.

14 "(3) The permission granted by this subsection
15 permitting the consumption of alcoholic beverages anywhere
16 within the confines of the entertainment district shall not
17 extend the confines of the licensed premises.

18 "(b) The governing body of any Class 5 municipality
19 covered by Act 2013-382, or a municipality with an
20 incorporated arts council, main street program, or downtown
21 development entity, may establish not more than two
22 entertainment districts within its corporate limits, each of
23 which must have not fewer than four licensees holding a retail
24 liquor license in that area, and each district may not exceed

1 one-half mile by one-half mile in area, but may be irregularly
2 shaped.

3 "(c) The governing body of a ~~Class 1 municipality,~~
4 Class 2 municipality, Class 3 municipality, Class 4
5 municipality, or any municipality that is located 15 miles
6 north of the Gulf of Mexico, may establish up to five
7 entertainment districts within the corporate limits, each of
8 which must have not fewer than four licensees holding a
9 manufacturer's license that conducts tastings or samplings on
10 the licensed premises, a restaurant retail liquor license, an
11 on-premises alcoholic beverage license, or other retail liquor
12 license in that area, and each district may not exceed
13 one-half mile by one-half mile in area, but may be irregularly
14 shaped.

15 "(d) The governing body of a Class 1 municipality
16 may establish up to 15 entertainment districts within its
17 corporate limits, each of which shall have not fewer than four
18 licensees holding a manufacturer's license that conducts
19 tastings or samplings on the licensed premises, a restaurant
20 retail liquor license, an on-premises alcoholic beverage
21 license, or other retail liquor license in that area, and each
22 district may not exceed one-half mile by one-half mile in
23 area, but may be irregularly shaped.

24 "~~(d)~~ (e) The governing body of a Class 8 municipality
25 which is located in a county with a Class 3 municipality may

1 establish two entertainment districts within its corporate
2 limits that may not have fewer than four licensees holding a
3 retail liquor license in that area, and each district may not
4 exceed one-half mile by one-half mile in area, but may be
5 irregularly shaped.

6 "~~(e)~~ (f) For the purposes of ~~subsection~~ subsections
7 (c) and (d), the term on-premises as applied to consumption
8 within the entertainment district shall include anywhere
9 within the district, regardless of the terms and conditions of
10 licensure.

11 "~~(f)~~ (g) In a Class 2 municipality, the licensed
12 premises in an entertainment district of a holder of a retail
13 liquor license shall include the area on a municipal sidewalk
14 or deck immediately adjacent or connected to the premises and,
15 during special events, directly outside the entrance to the
16 premises.

17 "~~(g)~~ (h) The governing body of a Class 8 municipality
18 that is located in a county with a Class 2 municipality and is
19 primarily located on an island may establish three
20 entertainment districts within its corporate limits. One
21 district must have no fewer than two licensees holding a
22 retail liquor license in a business or commercial area; one
23 district may be established in a business or commercial area
24 at times when special events are held as designated by the
25 governing body; and one district may be established on

1 property owned by the Dauphin Island Property Owners
2 Association and known as the Isle Dauphine Complex. Each
3 district may not exceed one-half mile by one-half mile in
4 area, but may be irregularly shaped.

5 "(1) For purposes of this subsection, the term
6 on-premises as applied to consumption within the entertainment
7 district shall include anywhere within the district,
8 regardless of the terms or conditions of licensure.

9 "(2) For purposes of this subsection, with the
10 approval of the local governing body and the board, the
11 licensed premises in an entertainment district of a holder of
12 a retail liquor license shall include the area on a deck,
13 boardwalk, or municipal sidewalk immediately adjacent or
14 connected to the premises and, during special events, directly
15 outside the entrance to the premises. The licensee must
16 possess legal control over all property that is included in
17 the premises licensed by the board.

18 "~~(h)~~ (i) (1) The governing body of a Class 8
19 municipality that meets all of the following qualifications
20 may establish three entertainment districts within its
21 corporate limits, provided that each district has no fewer
22 than four licensees holding a retail liquor license in that
23 area, and each district does not exceed one-half mile by
24 one-half mile in area, but may be irregularly shaped:

1 "a. The municipality is not in a county with a Class
2 2 municipality.

3 "b. The municipality abuts or spans the Intracoastal
4 Waterway and abuts the Gulf of Mexico.

5 "c. The municipality has an incorporated arts
6 council, main street program, or downtown development entity.

7 "(2) For purposes of this subsection, the term
8 on-premises as applied to consumption within the entertainment
9 district shall include anywhere within the district regardless
10 of the terms or conditions of licensure.

11 "(3) For purposes of this subsection, with the
12 approval of the local governing body and the board, the
13 licensed premises in an entertainment district of a holder of
14 a retail liquor license shall include the area on a deck,
15 boardwalk, or municipal sidewalk immediately adjacent or
16 connected to the premises and, during special events, directly
17 adjacent to the entrance of the premises. The licensee must
18 possess legal control over all property that is included in
19 the premises licensed by the board.

20 ~~(h)~~(j) All laws or parts of laws which conflict with
21 this section are repealed. All general, local, and special
22 laws or parts of such laws insofar as they designate or
23 restrict the boundaries, size, or area of such entertainment
24 districts are hereby repealed."

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

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB41
Senate 08-FEB-22
I hereby certify that the within Act originated in and passed
the Senate.

Patrick Harris,
Secretary.

House of Representatives
Passed: 02-MAR-22

By: Senator Smitherman