

1 SB464
2 159567-2
3 By Senator Orr
4 RFD: Finance and Taxation General Fund
5 First Read: 13-MAR-14

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

18 This bill would require the Alabama
19 Alcoholic Beverage Control Board to phase out
20 retail sale of alcoholic beverages by the board
21 prior to October 1, 2015 but continue all other
22 functions prescribed by law; require the board to
23 obtain the best available price for fixed assets,
24 equipment, and property; and require the Department
25 of Economic and Community Affairs to provide
26 certain technical assistance.

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

7 This bill would establish an application,
8 review, appeal and investigation process for
9 licensees; provide that licenses would be issued to
10 the highest competitive bidder and provide for the
11 bidding and bonding process; provide a purchase
12 option, with financing available, to eligible
13 retail licensees; provide penalties for inducing a
14 person from bidding for a retail license; and grant
15 a displaced employee bid preference of five
16 percent.

17 This bill would provide for the sale,
18 transfer, and surrender of licenses; provide that
19 persons possessing authority to sell liquor for
20 off-premises consumption on the date of
21 introduction of this bill could continue to operate
22 according to the license; and prohibit all other
23 persons from selling liquor for off-premises
24 consumption.

25 This bill would provide for the markup on
26 all alcohol sold by this board and provide for the
27 distribution of proceeds; provide that liquor sold

1 by the board would be subject to existing taxes and
2 provide for the redistribution of certain tax
3 proceeds; reallocate a portion of the proceeds of
4 existing taxes on table wine; and provide for the
5 distribution of local sales taxes on the sale of
6 liquor by retail licensees.

7 This bill would require the board to
8 implement a hiring freeze of certain employees; and
9 grant certain benefits to displaced employees,
10 including additional consideration for staffing
11 retail operations during the phase-out.

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

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

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 To amend Sections 28-1-4, 28-2-22, 28-3-43,
2 28-3-53.1, 28-3-53.2, 28-3-202, 28-3-205, 28-3-207, 28-3-241,
3 28-3A-11, 28-3A-12, 28-3A-19, 28-3A-20, 28-3A-21, 28-3A-22,
4 and 28-7-16 of the Code of Alabama 1975; regarding the sale of
5 alcoholic beverages and the Alcoholic Beverage Control Board,
6 requiring the Alabama Alcoholic Beverage Control Board to
7 phase out operations concerning the retail sale of alcoholic
8 beverages and granting these privileges to licensees of the
9 board; granting certain powers to the board to facilitate the
10 phase-out process, including the establishment of a fund from
11 which certain moneys may be expended for phase-out costs;
12 establishing application requirements for retail licenses and
13 identifying licensee qualifications and disqualifications;
14 establishing notice and bidding procedures and bonding
15 requirements; provide a purchase option, with financing
16 available, to eligible retail licensees; provide penalties for
17 inducing a person from bidding for a retail license; providing
18 a bid preference for displaced employees; providing for annual
19 retail license fees and annual renewal of retail licenses;
20 providing that each retail license shall expire in the year
21 2015 and each tenth year thereafter; requiring approval for
22 the sale, assignment, or transfer of retail licenses and for
23 the surrender of retail licenses; providing that certain
24 existing retail licensees of the board may continue to sell
25 liquor for off-premises consumption and prohibiting the sale
26 or transfer of these licenses; providing for the markup on
27 alcohol sales and the distribution of proceeds; providing for

1 the reallocation of the proceeds of the tax on table wine;
2 providing certain consideration, treatment, and benefits for
3 displaced employees; altering certain license fees and
4 providing for license fees for licensees; specifying remaining
5 functions of the board; creating the Products Selection Review
6 Committee and prescribing its duties; requiring the board to
7 convert to an inventory bailment system; providing for the
8 distribution of certain payment delayed for inventory
9 purposes; permitting the board to enter contracts for
10 warehousing functions; and repealing Sections 28-3-74, and
11 28-3-280 through 28-3-286 of the Code of Alabama 1975.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. For the purposes of this act, the
14 following terms have the following meanings unless the context
15 clearly indicates otherwise:

16 (1) APPLICANT. A person who bids for a retail
17 license or who seeks the approval of the board to purchase or
18 otherwise acquire a retail license from a retail licensee in
19 accordance with this act.

20 (2) APPLICATION. The form prescribed by the board
21 and filed with the board by a person bidding for a retail
22 license.

23 (3) BOARD. The Alabama Alcoholic Beverage Control
24 Board.

25 (4) RETAIL LICENSE. A retail license permitting the
26 purchase of liquor from the board and the retail sale of the

1 liquor in original unopened containers for off-premises
2 consumption.

3 (5) EXECUTIVE OFFICER. The president of an applicant
4 or retail licensee, a vice-president of an applicant or retail
5 licensee in charge of a principal business unit or division,
6 or any other officer of an applicant or retail licensee who
7 performs a policy-making function.

8 (6) LIQUOR. The definition prescribed in Section
9 28-3-1 of the Code of Alabama 1975.

10 (7) PERSON. A natural person, corporation,
11 partnership, association, or other type of business
12 organization.

13 (8) RETAIL LICENSEE. The holder of a retail license.

14 (9) RETAIL OUTLET. A specific location where liquor
15 may be lawfully sold by a retail licensee under this act.

16 Section 2. (a) The Alabama Alcoholic Beverage
17 Control Board shall phase out the retail sale of alcoholic
18 beverages prior to October 1, 2015, and shall by that date
19 close all state liquor stores and all retail operations and
20 functions.

21 (b) (1) Notwithstanding Article 6 (commencing with
22 Section 41-16-120) of Chapter 16 of Title 41, Code of Alabama
23 1975, or any other law, the board, prior to October 1, 2015,
24 shall sell, liquidate, transfer, and dispose of all fixed
25 assets, equipment, and property of state liquor stores and
26 retail operations of the board. Any fixed assets, equipment,

1 and property not sold by the board by October 1, 2015, shall
2 be sold by the board as soon as possible.

3 (2) The board shall obtain the best available price
4 for the fixed assets, equipment, and property.

5 (3) The Department of Economic and Community Affairs
6 shall provide technical assistance to the board in performing
7 the functions required by this section relating to the
8 disposal of fixed assets, equipment, and property.

9 (4) When the board closes a state liquor store, the
10 remaining merchandise inventory in the store shall be disposed
11 of in one of the following manners:

12 a. Transferred directly to another state liquor
13 store if financially advantageous to the state.

14 b. Returned to the warehouse of the board or the
15 warehouse operated for the board.

16 c. Sold to a licensee of the board at a reasonable
17 price, including a discounted price if this method of
18 disposition is the most financially advantageous to the state.
19 The proceeds of the sale of merchandise inventory in this
20 manner shall be treated the same as the proceeds of the sale
21 of other liquor.

22 Section 3. (a) The Alcoholic Beverage Control Board
23 Retail Phase-Out Fund is created in the State Treasury. The
24 board shall pay all proceeds from the sale of the fixed
25 assets, equipment, and property into the fund. The initial bid
26 price payments collected under Section 8 shall also be paid
27 into the fund.

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

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

17 Section 4. (a) The board shall terminate all leases
18 associated with state liquor stores and the retail operations
19 as these stores and operations are closed. The board shall not
20 enter into a lease as the lessee in regard to any property,
21 building, or facility used for retail operations of the board.
22 The board shall assist lessors of existing state liquor stores
23 in arranging lease agreements with licensees of the board as
24 provided in subsection (e) of Section 8.

25 (b) Neither the board nor a public officer,
26 including, but not limited to, the Governor, shall have
27 authority to perform any of the following functions and any

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

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

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

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

15 (c) The board shall accept and enforce any option in
16 an existing lease relating to state liquor stores or retail
17 operations permitting termination of the lease, including, but
18 not limited to, any of the following:

19 (1) Options permitting the board to terminate a
20 lease if certain existing law or provisions therein are
21 repealed.

22 (2) Options permitting the termination of the lease
23 if the Legislature fails to appropriate sufficient funds for
24 the board to make rental payments.

25 (3) Options permitting the termination of a lease if
26 the lease constitutes a debt of the state in violation of

1 Section 213 of the Official Recompilation of the Constitution
2 of Alabama of 1901, as amended.

3 Section 5. The board shall have all the following
4 duties:

5 (1) Prescribe application forms for persons desiring
6 to acquire retail licenses and adopt an orderly procedure and
7 timetable for investigating, bidding, processing, and
8 approving applications.

9 (2) Develop a form of retail license to be issued to
10 each retail licensee under this act.

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

13 (4) Enforce the provisions of this act.

14 (5) Adopt, amend, or repeal rules of the board to
15 conform with the requirements of this act. These rules shall
16 be adopted, amended, and repealed in accordance with the
17 Administrative Procedure Act, Chapter 22 (commencing with
18 Section 41-22-1) of Title 41 of the Code of Alabama 1975.

19 Section 6. (a) Prior to or simultaneously with the
20 submission of a bid for a retail license, each applicant shall
21 file an application with the board, stating under oath each of
22 the following:

23 (1) If the applicant is an individual, his or her
24 name and residence address.

25 (2) If the applicant is a corporation, limited
26 partnership, partnership, association, or other business
27 organization, the name and business address of the applicant;

1 the state of its incorporation or organization; the names and
2 residence addresses of each executive officer, director, or
3 general partner of the entity; and the names and residence
4 addresses of any person owning, directly or indirectly, at
5 least 20 percent of the outstanding stock of or partnership
6 interests in the applicant.

7 (3) If the applicant holds any licenses, the number
8 currently held, and the number of retail outlets owned.

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

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

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

26 (d) The board shall disqualify each bid submitted by
27 an applicant under Section 8, and no applicant shall be issued

1 or eligible to hold at any time a retail license under this
2 act in either of the following instances:

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

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

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

25 (b) Upon the completion of the investigation of an
26 applicant, the board shall inform the applicant in writing

1 whether the application has been approved or denied, and shall
2 post a copy of the decision in the office of the board.

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

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

16 Section 8. (a) The issuance of retail licenses shall
17 be based on sealed competitive bids in accordance with this
18 section. The date for the opening of initial bids for licenses
19 shall be March 1, 2015. The date for opening subsequent bids
20 for these licenses shall be set by the board. Bids for the
21 issuance of retail licenses shall be obtained by public notice
22 published as a legal notice in compliance with Division 2
23 (commencing with Section 6-8-60) of Article 4 of Chapter 8 of
24 Title 6 of the Code of Alabama 1975. The notice shall be
25 published for three consecutive weeks and the last publication
26 of the notice shall appear more than 30 days prior to the
27 final day for submitting bids.

1 (b) No bid shall be altered or withdrawn after the
2 appointed hour for the opening of the bids. Each retail
3 license shall be awarded to the highest bidder. No bid shall
4 be considered unless the bond required under Section 13 is
5 submitted to the board.

6 (c) (1) All bids for a retail license may be rejected
7 by the board if the board determines that the highest bid is
8 inadequate, in which event the board shall either begin anew
9 the bidding process for that retail license or implement the
10 negotiation procedure specified in subdivision (2).

11 (2) If determined to be financially advantageous to
12 the state, instead of beginning the bid process anew, the
13 board may negotiate with the highest bidder the option to
14 receive the retail license for a one-year duration. The board
15 may permit the license to be renewed by the holder for one
16 additional year. If the board is unable to reach an agreement
17 with the highest bidder, the board may negotiate with the next
18 highest bidder. If the board is unable to successfully
19 negotiate with either of those bidders, the board may
20 negotiate in descending order with each person offering the
21 next highest bid. Any agreement reached for the issuance of
22 the license shall be a public record and subject to public
23 inspection. If the board is not able to successfully negotiate
24 with the bidders, the board shall begin anew the bidding
25 process for that retail license. If the board negotiated with
26 a bidder, at the completion of the license year, or of the
27 single renewal year if renewed, the license shall expire and

1 have no further effect. At that time, the board shall begin
2 the bid process anew for that retail license. The person to
3 whom the license is issued pursuant to the bid process shall
4 have the opportunity to annually renew the license until the
5 expiration of the license term as defined in subsection (d) of
6 Section 14.

7 (d) Each person desiring to submit a bid shall file
8 the bid with the board prior to the specified date and hour
9 for the bid openings. The failure to deliver or the nonreceipt
10 of a bid prior to the appointed date and hour shall constitute
11 sufficient reason for the rejection of a bid. After the award
12 of the retail license, the board shall indicate upon the
13 successful bid that it was the successful bid. A copy of the
14 bid and the application of the bidder shall be maintained as a
15 public record, shall be open to public inspection in the
16 office of the board, and shall not be destroyed without the
17 written consent of the Chief Examiner of Public Accounts.

18 (e) Prior to the advertisement for bids for a retail
19 license, the board shall determine whether the lessor for each
20 existing state liquor store will agree to accept a retail
21 licensee as lessee for the store. Should the lessor agree to
22 accept a retail licensee, such retail licensee shall be
23 notified by the board of the option to lease the store. If
24 there are two or more retail licensees, or two or more state
25 liquor stores, the retail licensee who or which submitted the
26 highest bid shall be notified first by the board of the option
27 to lease the store, and if that retail licensee does not enter

1 a lease, then the retail licensee who or which submitted the
2 next highest bid for a retail license shall be notified by the
3 board of the option. The notification of the option shall be
4 given by the board in descending order to the licensee
5 offering the next highest bid for the license, until the
6 option for each store lease is accepted or refused by all
7 licensees. At the time the notice of the option is offered to
8 a licensee, the board shall offer to sell fixed assets,
9 equipment, or other property of the board to the licensee as
10 provided in Section 2. The board, pursuant to Section 2, may
11 also offer to sell merchandise inventory to the licensee.

12 (f) Prior to the issuance of the retail license to
13 the successful bidder, the bid price and the annual retail
14 license fee, as specified in Section 28-3A-21 of the Code of
15 Alabama 1975, shall be paid to the board by money order,
16 certified check, or cashier's check. All retail licenses shall
17 be signed by the board in the name of the state.

18 (g) If the successful bidder fails to pay to the
19 board the bid price and the annual retail license fee, at the
20 time specified by the board, the bond provided for in Section
21 13 shall be forfeited and the bidder shall not be issued the
22 retail license. The board shall then issue the retail license
23 to the next highest bidder for the retail license, enter
24 negotiations as provided in subdivision (2) of subsection (c),
25 or reject all bids and start anew the bidding procedure for
26 the retail license. Moneys received from the forfeiture of a
27 bond shall be paid into the State General Fund.

1 (h) Upon receipt of the bid price payments for the
2 issuance of initial retail licenses, the board shall pay the
3 money into the Alcoholic Beverage Control Board Retail
4 Phase-Out Fund. Subsequent bid price payments received by the
5 board shall be paid into the State General Fund.

6 Section 9. In determining the highest bidder for
7 purposes of Section 8, the board shall afford a five percent
8 preference to displaced employees of the retail operations of
9 the board as provided in Section 20. The preference shall be
10 granted to a displaced employee submitting an individual bid
11 or submitting a bid on behalf of a corporation, partnership,
12 association, or other business organization, of which the
13 displaced employee owns at least a 50 percent interest. The
14 preference shall be computed by adding five percent of the bid
15 price to the bid price submitted by the displaced employee.

16 Section 10. (a) The issuance of retail licenses for
17 the ten-year period beginning October 1, 2015, and for each
18 ten-year period thereafter, shall be based upon sealed
19 competitive bid in accordance with the provisions of Section 8
20 of this article except as provided in this section.

21 (b) Prior to accepting bids for retail licenses to
22 be issued for the ten-year period beginning October 1, 2015,
23 the board shall determine the minimum bid for each license
24 based upon a review of inflation data, demographic data, the
25 sales at each retail outlet permitted to operate under the
26 license and such other factors as the board may determine to
27 generate the revenues from liquor license renewal projected by

1 the Governor's official revenue estimates for fiscal year
2 2015-2016 as presented to the regular session of the
3 Legislature in 2015.

4 (c) Prior to accepting bids for retail licenses to
5 be issued for the ten-year periods beginning October 1, 2015,
6 and October 1 every ten years thereafter, the board shall
7 determine the minimum bid for each retail license based upon a
8 review of the sales at each retail outlet permitted to operate
9 under the retail license and such other factors as the board
10 may determine to generate the revenues from retail license
11 renewal projected by the Governor's official revenue estimates
12 for the fiscal year preceding the expiration of the retail
13 licenses.

14 (d) (1) Notwithstanding any provision of this article
15 to the contrary, prior to accepting bids for retail licenses
16 to be issued for the ten-year period beginning October 1,
17 2015, and every ten-year period thereafter, each active retail
18 licensee operating or seeking to operate a freestanding liquor
19 retail outlet shall be eligible to purchase a retail license
20 or licenses as provided in this subsection.

21 (2) At least sixty days prior to accepting bids for
22 retail licenses to be issued for the ten-year period beginning
23 October 1, 2015, and October 1 every ten years thereafter, the
24 board shall provide notice to each eligible retail licensee of
25 his or her option to purchase a retail license or licenses as
26 provided in this subsection. The board shall include with this
27 notice an explanation of the financing option provided in

1 Section 12 of this article and a financing application form
2 prepared by the commissioner.

3 (3) An eligible retail licensee may elect to pay a
4 purchase option or options for each retail outlet operating
5 under an active retail license currently held by the licensee.
6 A retail licensee may only exercise a purchase option for the
7 lesser of four retail licenses or the number of active retail
8 licenses currently held by the licensee.

9 (4) Each eligible retail licensee who elects to pay
10 a purchase option shall, within thirty days prior to the
11 acceptance of bids for the ten-year period beginning October
12 1, 2015, and October 1 every ten years thereafter, pay to the
13 commissioner an amount equal to ten percent over and above the
14 minimum bid as determined by the board for each retail license
15 the retail licensee wishes to purchase or, if the retail
16 licensee elects to take the financing option provided in
17 Section 12 of this article, a down payment, the amount of
18 which shall be calculated in accordance with the provisions of
19 that section. A retail licensee shall be awarded a retail
20 license or licenses upon the commissioner's receipt of his or
21 her payment or down payment. Provided, that the commissioner
22 determines that the retail licensee is in good standing with
23 the state and meets all other requirements imposed by the
24 provisions of this article for the issuance of a retail
25 license.

26 (5) A retail license purchased in accordance with
27 this subsection shall be issued for the ten-year period

1 beginning October 1, 2015, or October 1 every ten years
2 thereafter, and shall expire on September 30, 2025, or on
3 September 30 every ten years thereafter.

4 (6) Nothing in this subsection may be interpreted as
5 affecting the ability of a retail licensee to bid for a retail
6 license or licenses as otherwise provided in this article.
7 Provided, that the retail licensee meets all other
8 requirements imposed by the provisions of this article for the
9 submission of bids.

10 (e) All bids for a retail license for the ten-year
11 period beginning October 1, 2015, or for any ten-year period
12 thereafter may be rejected by the board if the board
13 determines that the highest bid fails to meet the minimum bid.
14 The board may also reject any or all bids where, in the
15 aggregate, the bids for all of the retail licenses fail to
16 meet the minimum aggregate bid. Where the board determines the
17 highest bid meets or exceeds the minimum bid, the board shall
18 determine whether, at the time of the bid, the same retail
19 license was held for the period ending September 30, 2015, or
20 for any ten-year period thereafter, on September 30 preceding
21 the expiration of the license. If the current retail licensee
22 holding the same retail license at the time of submission of
23 the bid for the period ending September 30, 2015, or for any
24 ten-year period thereafter, on September 30 preceding the
25 expiration of the retail license, submitted a bid that was not
26 less than the minimum bid and is, after considering any
27 preference applicable under the provisions of Section 9 of

1 this article, an unsuccessful bidder for the retail license
2 for the period beginning October 1, 2015, or for any ten-year
3 period thereafter, on October 1 when the retail license
4 expires, the commissioner shall notify the person that upon
5 paying the amount of the highest bid, subject to the
6 provisions of subsection (f) of this section, and upon
7 compliance with all other requirements imposed by the
8 provisions of this article for the issuance of the license,
9 the retail license for the ten-year period beginning October
10 1, 2015, or for any ten-year period thereafter, shall be
11 issued to the current retail licensee. If, within the time
12 determined by the commissioner, the current retail licensee
13 pays the amount to the commissioner and complies with all
14 other requirements imposed by the provisions of this article
15 for the issuance of the retail license, the retail license for
16 the ten-year period beginning October 1, 2015, or for any
17 ten-year period thereafter, shall be issued to the current
18 retail licensee.

19 (f) The board shall, in determining the amount a
20 current retail licensee who is an unsuccessful bidder shall
21 pay as described in subsection (e) of this section, afford the
22 unsuccessful bidder a preference. If the unsuccessful bidder
23 is a displaced employee as provided in Section 9 of this
24 article, the board shall afford the unsuccessful bidder a five
25 percent preference in addition to the five percent preference
26 afforded under Section 9 of this article. If the unsuccessful
27 bidder is not a displaced employee, the board shall afford the

1 unsuccessful bidder a five percent preference. The preference
2 shall be computed by subtracting the preference percentage of
3 the highest bid price from the highest bid price. Provided,
4 that under no circumstances may the preference bring the price
5 of the bid below the minimum bid established by the board.
6 Provided, however, that a current retail licensee who is not
7 operating any of the retail outlets for which he or she is
8 authorized under the license is not eligible for the
9 preference provided for under this section.

10 (g) In the event all bids submitted for a retail
11 license fail to meet the minimum bid amount for the license as
12 determined by the board, the board may offer the license for
13 bid again after it determines a new minimum bid amount for the
14 retail license.

15 Section 11. (a) Any person who gives another person
16 any thing of value to induce the other to refrain from bidding
17 for a retail license is guilty of a misdemeanor and, upon
18 conviction, shall be fined not more than ten thousand dollars
19 (\$10,000), and, in addition, shall be subject to a civil
20 penalty payable to the commissioner of not more than one
21 million dollars (\$1,000,000).

22 (b) Any person who gives a person any thing of value
23 to induce the other to refrain from operating an outlet
24 authorized under a retail license is guilty of a misdemeanor
25 and, upon conviction, shall be fined not more than ten
26 thousand dollars (\$10,000), and, in addition, shall be subject

1 to a civil penalty payable to the commissioner of not more
2 than one million dollars (\$1,000,000).

3 Section 12. (a) The commissioner shall offer
4 financing to each retail licensee who elects to pay the
5 purchase option for a retail license or licenses as provided
6 in Section 10 of this article. Provided, that the retail
7 licensee is approved by the commissioner for financing and
8 otherwise complies with the requirements of this section.
9 Provided, however, that the retail licensee agrees to enter a
10 financing agreement with the commissioner as provided in
11 subsection (d) of this section.

12 (b) The commissioner shall prepare an application
13 form for retail licensees who desire to elect the financing
14 option provided in this section. The commissioner shall make
15 the form available to retail licensees in paper or electronic
16 format at least sixty days prior to the acceptance of bids for
17 the ten-year period beginning October 1, 2015, and October 1
18 every ten years thereafter. At a minimum, the application form
19 shall require the following information:

20 (1) Certification that the applicant elects to pay
21 the purchase option for a retail license or licenses as
22 provided in Section 10 of this article;

23 (2) Certification that the applicant is the current
24 holder and operator of an active retail license issued by the
25 board;

26 (3) A description of the retail license or licenses
27 currently held by the applicant;

1 (4) Any information the commissioner requires to
2 evaluate the creditworthiness of the applicant, including
3 without limitation the applicant's authorization to perform a
4 criminal background and credit check; and

5 (5) Any additional information the commissioner
6 requires to effectuate the purposes of this section.

7 (c) For an applicant to be considered for financing,
8 the application required under subsection (b) of this section
9 must be submitted to the commissioner with a down payment of
10 fifty percent of the total amount due under the financing
11 agreement provided in subsection (d) of this section no later
12 than May 1, 2015, or, for subsequent retail license periods,
13 May 1 every ten years thereafter. The commissioner shall make
14 a determination as to the eligibility of an applicant for
15 financing and the issuance of a retail license within fifteen
16 days of his or her receipt of the application. If the
17 commissioner determines that an applicant is ineligible for
18 financing, is not in good standing with the state or does not
19 otherwise meet the requirements of this article for the
20 issuance of a retail license, the commissioner shall notify
21 the applicant that his or her application for financing is
22 denied and shall refund in full any moneys paid to the
23 commissioner as a down payment. If the applicant's application
24 for financing is denied for any reason other than the fact
25 that the applicant is not in good standing with the state or
26 is not otherwise eligible for the issuance of a retail
27 license, the commissioner shall provide the applicant the

1 option of paying the full amount of a purchase option for a
2 retail license or licenses as provided in subsection (d) of
3 Section 10 of this article. At the request of the applicant,
4 the commissioner may credit any moneys received as a down
5 payment towards payment of the full amount of a purchase
6 option for a retail license or licenses.

7 (d) The commissioner is hereby authorized to enter
8 into a financing agreement with each retail licensee meeting
9 the requirements of this section. The financing agreement
10 shall contain such terms and conditions as prescribed by the
11 commissioner, but at a minimum shall contain the following:

12 (1) The total amount due, including the required
13 down payment, which shall equal ten percent over and above the
14 minimum bid as determined by the board for each retail license
15 the retail licensee wishes to purchase;

16 (2) The interest to be charged on the total amount
17 due at a rate of the adjusted prime lending rate minus one
18 hundred basis points. The interest rate shall be set on the
19 date the financing is approved by the commissioner;

20 (3) The total amount due, not including the required
21 down payment, to be payable to the commissioner in monthly or
22 quarterly installments over a period of sixty months. If a
23 retail licensee elects to pay in monthly installments, his or
24 her first payment is due on October 1 and successive payments
25 are due on the first day of each month thereafter until the
26 debt is retired. If a retail licensee elects to pay in
27 quarterly installments, his or her first payment is due on

1 October 1 and successive payments are due on the first day of
2 every third month thereafter until the debt is retired;

3 (4) The failure of a retail licensee to make a
4 payment in accordance with the terms of the financing
5 agreement shall result in the entire balance of the amount due
6 becoming immediately due and payable to the commissioner and
7 shall result in the forfeiture of the down payment and any
8 moneys paid to the commissioner in accordance with this
9 section; and

10 (5) The failure of a retail licensee to make a
11 payment in accordance with the terms of the financing
12 agreement within thirty days of the day on which the payment
13 was due shall result in the immediate revocation of the retail
14 license held by the licensee and the commissioner shall
15 reissue the license by sealed competitive bid in accordance
16 with Section 8 of this article. A retail licensee whose retail
17 license is revoked for failure to make payments as provided in
18 the financing agreement is deemed an unsuitable retail
19 licensee and shall be permanently prohibited from bidding on a
20 retail license under this article.

21 Section 13. Each applicant submitting a bid under
22 Section 8 shall furnish to the board a bond at the time of
23 bidding, which bond shall guarantee the payment of 25 percent
24 of the price bid for the retail license. The bond required by
25 this section shall be furnished in cash or negotiable
26 securities or shall be a surety bond issued by a surety
27 company authorized to do business with the state or an

1 irrevocable letter of credit issued by a financial institution
2 acceptable to the board. If furnished in cash or negotiable
3 securities, the principal shall be deposited without
4 restriction in the Office of State Treasurer and credited to
5 the board. Any income shall inure to the benefit of the State
6 General Fund. The bond shall be returned to an applicant
7 following the bidding if the applicant is not the successful
8 bidder for the retail license. If an applicant is the
9 successful bidder, the bond shall be released after issuance
10 of the retail license.

11 Section 14. (a) The annual retail license period
12 shall be from October 1 to September 30. The annual retail
13 license fee for a retail license shall be the sum specified in
14 Section 28-3A-21 of the Code of Alabama 1975. The annual
15 retail license fee for the initial year of issuance shall be
16 prorated based on the number of days remaining between the
17 date of issuance and the following September 30.

18 (b) All retail licenses shall expire on September 30
19 of each year and may be renewed only upon the submission to
20 the board of the same information required for the issuance of
21 the license and any additional information requested by the
22 board. The information shall be submitted on forms and by the
23 date prescribed by the board. The payment to the board of the
24 applicable annual retail license fee shall accompany this
25 information.

26 (c) The board may suspend or revoke a license in the
27 manner prescribed by law. No person may sell liquor at a

1 retail outlet if the retail license applicable to the outlet
2 has been suspended, revoked, or expired. If a license has been
3 revoked or has expired, the board shall proceed to reissue the
4 retail license for the remaining license term as defined in
5 subsection (d) by following the bidding and other procedures
6 set forth in the initial issuance of a retail license. If
7 financially advantageous to the state, the negotiation
8 procedure specified in subsection (c) of Section 8 may be used
9 by the board instead of the bidding process. If the bidding
10 process is used and bids are rejected as being inadequate, the
11 negotiation procedure may be used at that time or the bidding
12 process may begin anew.

13 (d) All retail licenses issued or renewed under this
14 act shall expire and be of no further effect after September
15 30, 2025, prior to which time new retail licenses shall be
16 issued to become effective on October 1, 2025, by following
17 the provisions of Section 8 regarding the bidding and other
18 procedures set forth for the initial issuance of retail
19 licenses. The licenses issued on October 1, 2025 may be
20 annually renewed by the holder, upon meeting all requirements
21 of law, for up to 10 years. Each tenth year after the year
22 2025, the license shall expire on September 30 and be of no
23 further effect. Prior to the time of expiration, by following
24 the provisions of Section 8 regarding the bidding and other
25 procedures set forth for the initial issuance of retail
26 licenses, a new retail license shall be issued, which may be
27 annually renewed during the next 10-year period. For the

1 purposes of this act, this 10-year time period shall be
2 referred to as the license term.

3 (e) If a dry county or a dry municipality approves
4 the sale of liquor after December 1, 2014, the board shall
5 issue retail licenses for a time period equal to the remainder
6 of the license term of other licensees. The board shall issue
7 the licenses by following the bidding and other procedures set
8 forth in Section 8 regarding the initial issuance of other
9 retail licenses. If financially advantageous to the state, the
10 negotiation procedure specified in subsection (c) of Section 8
11 may be used by the board instead of the bidding process. If
12 the bidding process is used and bids are rejected as being
13 inadequate, the negotiation procedure may be used at that time
14 or the bidding process may begin anew.

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

25 Section 15. (a) No person may purchase or otherwise
26 acquire a retail license unless the board has first approved
27 of the qualifications of the person to hold the retail

1 license, which qualifications shall be the same as those
2 required under Section 6.

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

12 Section 16. A retail licensee may surrender a retail
13 license to the board at any time. The board shall then proceed
14 to reissue the retail license for the remaining license term
15 as provided in subsection (d) of Section 14 by following the
16 bidding and other procedures set forth for the initial
17 issuance of a retail license. If financially advantageous to
18 the state, the negotiation procedure provided in subsection
19 (c) of Section 8 may be used by the board instead of the
20 bidding process. If the bidding process is used and bids are
21 rejected as being inadequate, the negotiation procedure may be
22 used at that time or the bidding process may begin anew.

23 Section 17. (a) In addition to the licensees under
24 this act, only licensees possessing authority on the date this
25 act was introduced into the Legislature of Alabama to sell
26 liquor in original unopened containers at retail for
27 off-premises consumption may continue to sell liquor in

1 original unopened containers at retail for off-premises
2 consumption according to the terms of the license on the date
3 of issuance to the licensee. Notwithstanding any other law,
4 these licensees may annually renew this license with this
5 privilege and subject to those terms for a period of ten
6 years. Notwithstanding any other law, these licensees may not
7 sell or transfer the license.

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

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

15 Section 18. Alcohol sold at retail in stores
16 operated by the Alabama Alcoholic Beverage Control Board prior
17 to October 1, 2015 shall be subject to the tax and markup
18 presently provided by law and the proceeds of that tax shall
19 be distributed as presently provided by law. Alcohol sold by
20 the board after retail stores have been phased-out shall
21 continue to be subject to the tax presently provided by law
22 with the proceeds distributed as provided by law. The markup
23 on alcohol sold by the Alabama Alcoholic Beverage Control
24 Board after the phase-out of retail operations shall be as
25 provided in Section 28-3-53.2.

26 Section 19. (a) (1) This act shall not be construed
27 as prohibiting a municipality from collecting municipal sales

1 taxes on liquor sold by any retail licensee of the board,
2 including, but not limited to, a retail licensee at the same
3 rate levied by the municipality on the sales of other tangible
4 property.

5 (2) If a local law allocated a portion of sales tax
6 proceeds received by the municipality pursuant to Section
7 28-3-280 to Section 28-3-286, inclusive, Code of Alabama 1975,
8 the same amount of sales tax proceeds received by the
9 municipality in the base year from sales taxes on the sale of
10 liquor in original unopened containers by licensees of the
11 board for off-premises consumption shall be identically
12 allocated at the same intervals by the municipality until
13 otherwise provided by local law. Any remaining amounts
14 collected by the municipality shall be distributed as provided
15 by general or local law.

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

19 (b) (1) This act shall not be construed as
20 prohibiting a county that is authorized to levy a sales tax,
21 in addition to the tax authorized by Section 40-12-4 of the
22 Code of Alabama 1975, from collecting the county sales tax on
23 the retail sale of liquor in original unopened containers for
24 off-premises consumption by a licensee of the board at the
25 same rate levied by the county on the sales of other tangible
26 property. This act shall not be construed as granting this
27 taxing authority to a county.

1 (2) If a local law allocated a portion of sales tax
2 proceeds received by the county pursuant to Section 28-3-280
3 to Section 28-3-286, inclusive, Code of Alabama 1975, the same
4 amount of sales tax proceeds received by the county on the
5 sale of liquor in original unopened containers for
6 off-premises consumption by a licensee of the board shall be
7 identically allocated at the same intervals by the county
8 until otherwise provided by local law. Any remaining amounts
9 collected by the county shall be distributed as provided by
10 general or local law.

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

14 Section 20. (a) Upon the effective date of this act,
15 the board shall implement a hiring freeze on the employment of
16 new employees. This hiring freeze shall continue until October
17 1, 2015. If an essential position must be filled during the
18 hiring freeze period, the board shall fill the position with a
19 displaced retail employee, if the employee is qualified. If a
20 displaced retail employee is determined unqualified for the
21 essential position, the employee may request the Director of
22 the State Personnel Department to determine if the employee is
23 qualified. Upon request, the director shall make the
24 determination and notify the employee and the board. If the
25 director determines the employee is qualified, the board shall
26 offer the position to the employee. If there are no displaced
27 retail employees qualified to fill an essential position, the

1 board may contract with an individual to fill the essential
2 position during the hiring freeze period. The employment
3 contract shall not extend beyond September 30, 2015. The board
4 shall fill nonessential positions with displaced employees of
5 the retail operations of the board as provided in subsection
6 (e).

7 (b) In order to insure the efficient and effective
8 operation of the retail operations of the board during the
9 phase-out period, the state shall enter into contracts with
10 employees involved in the retail operations of the board. For
11 the additional consideration tendered by these employees in
12 agreeing to provide necessary staffing of the retail
13 operations during the phase-out period and until the date of
14 termination of employment with the board, the state shall
15 agree to pay the employee additional compensation in a lump
16 sum in an amount equivalent to three months of annual salary.
17 Payment to these employees for the rendering of these
18 additional services shall be on the same date as payment of
19 final salary owed. Moneys in the fund established in Section 3
20 shall be used for these payments.

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

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

1 (e) The board shall permit displaced employees of
2 the retail operations to transfer to other board operations,
3 if feasible.

4 (f) Displaced employees of the retail operations of
5 the board, subject to state law, may transfer to other
6 positions within the state personnel system and shall be given
7 preference if qualified.

8 (g) A state Merit System employee who loses his or
9 her job as a direct consequence of this act, as determined by
10 the Director of the State Personnel Department, shall be
11 entitled to five additional points on a state examination for
12 appointment to the classified service for a period of two
13 years following his or her layoff date. These employees shall
14 be placed on the registers at the appropriate position
15 according to their rating and shall be certified when their
16 ratings are reached. An appointing officer who passes over
17 such a displaced employee and selects another person with the
18 same or a lower rating shall file in writing with the Director
19 of the State Personnel Department the reason for passing over
20 the displaced employee. The written reason shall become a part
21 of the file of the displaced employee, but shall only be
22 available for review by the displaced employee.

23 (h) A state Merit System employee who loses his or
24 her job as a direct consequence of this act, as determined by
25 the Director of the State Personnel Department, shall be given
26 a bidding preference for a retail license, for a period of two
27 years, as provided in Section 9. An employee entitled to a bid

1 preference shall be given a 20 percent discount on retail
2 license and permit fees for the first two years after
3 issuance.

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

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

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

20 Section 22. (a) The board shall readily supply to a
21 licensee any liquor product requested by the licensee if the
22 product conforms to the requirements of federal and state law.

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

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

1 Section 23. (a) The Products Selection Review
2 Committee is established. The committee shall be composed of
3 five members. The President of the Senate shall appoint two
4 licensees, or the executive officer of the licensee, to the
5 committee. The Speaker of the House of Representatives shall
6 appoint two licensees, or the executive officer of the
7 licensee, to the committee. The Governor shall appoint one
8 resident of the state to the committee who shall represent the
9 interests of consumers. Members of the committee shall serve
10 at the pleasure of the appointing authority. Members shall
11 serve until a successor is named and assumes the office.

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

19 (b) The committee shall meet quarterly, and at other
20 necessary times as determined by the committee. A majority of
21 the members of the committee shall constitute a quorum. The
22 board shall provide clerical and technical assistance to the
23 committee and necessary office space.

24 (c) The committee shall review the policies and
25 procedures of the board concerning the availability of
26 products offered to licensees of the board. The committee
27 shall review prices charged by the board for products sold to

1 licensees. The committee shall also review any complaint filed
2 with the board or the committee regarding the availability of
3 liquor offered to licensees of the board, including, but not
4 limited to, complaints regarding the failure of the board to
5 readily supply requested liquor products as required by
6 subsection (a) of Section 22. The members of the board and
7 employees of the board shall supply the committee with all
8 requested information regarding product selections, offerings,
9 availabilities, and pricing.

10 (d) Any irregularity or possible violation of law
11 discovered by the committee concerning product selections,
12 offerings, availability, and pricing shall be immediately
13 reported by the committee to both of the following entities:

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

16 (2) The State Ethics Commission. The report of the
17 committee shall be in the form of a complaint, as required in
18 Section 36-25-4 of the Code of Alabama 1975, so that the State
19 Ethics Commission, pursuant to law, shall commence an
20 investigation regarding the irregularity or possible violation
21 of law.

22 Section 24. Sections 28-1-4, 28-2-22, 28-3-43,
23 28-3-53.1, 28-3-53.2, 28-3-207, 28-3-241, 28-3A-11, 28-3A-12,
24 28-3A-19, 28-3A-20, 28-3A-21, 28-3A-22 and 28-7-16 of the Code
25 of Alabama 1975, are amended to read as follows:

26 "§28-1-4.

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

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

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

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

21 "§28-2-22.

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

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

19 "(2) The governing body of ~~any~~ a county which has
20 adopted the special method as provided in Section 28-2-21 may
21 from time to time vote to exclude the sale of alcoholic
22 beverages within all or any part of its unincorporated areas,
23 but if a municipality annexes ~~any~~ an unincorporated area, that
24 area shall be subject to the rules of the municipality with
25 regard to the sale and distribution of alcoholic beverages.

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

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

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

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

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

11 "§28-3-43.

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

14 "(1) To buy, manufacture, and sell at wholesale
15 alcoholic beverages and to have alcoholic beverages in its
16 possession for sale at wholesale, as defined and enumerated in
17 this chapter and by general law, and to have alcoholic
18 beverages in its possession for sale at retail at any time
19 prior to October 1, 2015.

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

23 "(3) To determine the localities within which ~~any~~ a
24 state operated liquor store shall ~~may~~ be ~~established and~~
25 operated and the location of ~~such~~ the state operated liquor
26 store at any time prior to October 1, 2015. No state operated
27 liquor store shall be established in and neither the board nor

1 any other person may legally buy, manufacture, or sell
2 alcoholic beverages in ~~any~~ a county which has voted in the
3 negative in ~~any~~ an election called as provided in Chapter 2 of
4 this title for determining the ~~said~~ issue unless and until
5 ~~said~~ the county has at a subsequent similar election voted in
6 the affirmative. The board shall have the power at any time
7 prior to October 1, 2015, to ~~establish and~~ maintain state
8 operated liquor stores for the sale of liquors as defined in
9 this chapter; ~~provided, that municipalities.~~ Municipalities
10 may by proper zoning ordinances establish zones or districts
11 within which ~~such~~ state operated liquor stores may or may not
12 be established; ~~provided further, that the.~~ The number of
13 state operated liquor stores in ~~any~~ a municipality shall be
14 limited to two ~~such~~ stores for municipalities of 25,000
15 population or less according to the last or any subsequent
16 federal census and, in municipalities having more than 25,000
17 population, such additional stores as the board, in its
18 discretion, may determine.

19 "(4) To make provision for the maintenance of
20 warehouses for alcoholic beverages and to control the delivery
21 of alcoholic beverages to and from such warehouses and the
22 keeping of the same therein. The board, by competitive bid as
23 provided in Chapter 16 of Title 41 of the Code of Alabama
24 1975, may enter into contracts with private entities for the
25 receipt, storage, delivery, or distribution, or any
26 combination thereof, of alcoholic beverages held by the board.
27 The board shall supervise and maintain control over the

1 actions of such a private contractor to ensure the laws of
2 this state are properly enforced.

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

13 "(6) To appoint, subject to the provisions of the
14 Merit System and other laws, every officer, agent, inspector,
15 investigator, and employee, in accordance with the
16 qualifications specifically set out in this chapter, required
17 for the operation of the business of ~~said~~ the board, and
18 commission ~~such~~ the agents, inspectors, and or investigators as
19 necessary to make arrests and execute search warrants and have
20 the same authority as designated to peace officers ~~as now~~
21 ~~authorized~~ by law, and assign all employees their official
22 positions and titles, define their respective duties and
23 powers, require them ~~or any of them~~ to give bonds payable to
24 the state in such penalty as shall be fixed by the board, and
25 engage the services of experts and persons engaged in the
26 practice of a profession.

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

24 "(8) To grant, issue and suspend, or revoke for
25 cause liquor licenses and alcohol permits as provided in this
26 chapter and by general law.

1 "(9) To grant, issue and suspend, or revoke for
2 cause malt or brewed and vinous beverages licenses as provided
3 in this chapter.

4 "(10) To lease, and furnish, and equip such
5 buildings, rooms, and other accommodations as shall be
6 required for the operation of this chapter. To determine the
7 nature, form, and capacity of all packages to be used for
8 containing liquor, alcohol, or malt or brewed beverages to be
9 kept or sold under this chapter and to prescribe the form and
10 contents of all labels and seals to be placed thereon.

11 "(11) To purchase from time to time the necessary
12 stamps, crowns, or lids, in a quantity sufficient for a period
13 not to exceed six months, for identifying each article sold or
14 distributed by or through the ~~said~~ state operated liquor
15 stores or a licensee of the board. All liquors, vinous
16 beverages, and alcohol sold or distributed by the board or ~~any~~
17 a licensee of ~~said~~ the board shall be stamped or endorsed in
18 such characteristic way or manner to be determined by the
19 board as shall clearly indicate that it has been dispensed or
20 regulated by the board, and all such liquors, vinous
21 beverages, or alcohol not containing such label shall be
22 contraband and subject to forfeiture as other contraband
23 liquors.

24 "(12) To require all wholesalers who make sales of
25 alcoholic beverages of any kind as defined in this chapter to
26 ~~any~~ a state operated liquor store or other authorized licensee
27 to forward, when the shipments of ~~such~~ the alcoholic beverages

1 are made, to the board an invoice setting out the quantities
2 of beverages purchased, and the price quotation showing at
3 what price such beverages were sold and such invoice and
4 quotation to be placed on record in the records of the
5 Alcoholic Beverage Control Board of the State of Alabama and
6 to be held for a period of not less than 18 months.

7 "(b) The Alcoholic Beverage Control Board shall be
8 subject to regular examinations by the Examiners of Public
9 Accounts the same as all other state agencies.

10 "\$28-3-53.1.

11 "(a) There shall be no distribution of any taxes
12 collected on alcoholic beverages sold by the Alabama Alcoholic
13 Beverage Control Board or of any funds distributed as net
14 profits by said board for at least 25 days beginning October
15 1, 1983, for at least 55 days by September 30, 1984, for at
16 least 85 days by September 30, 1985, for at least 115 days by
17 September 30, 1986, for at least 120 days by September 30,
18 1987, and ~~thereafter~~ until October 1, 2015, from the close of
19 the month in which the ~~said~~ taxes or ~~said~~ funds are realized.
20 The moneys so realized are intended for use by ~~said~~ the board
21 for inventory purposes. This subsection shall be inoperative
22 after September 30, 2015.

23 ~~"(b) Any funds accumulated as working capital under~~
24 ~~Section 28-3-74(d) shall be distributed to the several~~
25 ~~beneficiaries on the same basis as withheld on the next~~
26 ~~distribution of profits to such beneficiaries by the Alabama~~
27 ~~Alcoholic Beverage Control Board after October 1, 1984.~~

1 "(b) Effective October 1, 2015, the board shall
2 maintain merchandise inventory by means of a bailment system.

3 "(c) Any taxes previously collected and maintained
4 in the working inventory capital fund as of July 1, 2015,
5 shall be transferred to the State General Fund. Any additional
6 taxes collected but not distributed as of October 1, 2015,
7 pursuant to subsection (a) of this section shall first be
8 distributed in the same manner and in the amounts due for the
9 month of October, 2015, to all current tax recipients and the
10 remainder shall be transferred to the State General Fund no
11 later than January 31, 2016.

12 "\$28-3-53.2.

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

20 (b) Until September 30, 2015, the ~~The~~ total amount
21 of the additional mark up on cost of merchandise, levied by
22 the Alcoholic Beverage Control Board subsequent to June 30,
23 1983, shall be designated to the credit of the General Fund of
24 the state.

25 (c) Until September 30, 2015, the ~~The~~ board shall be
26 prohibited from increasing the mark up on wholesale case lot

1 sales of liquor above 16.99 percent of the cost plus freight
2 subsequent to December 1, 2004.

3 (d) Effective October 1, 2015, the markup on
4 wholesale case lot sales of liquor shall be 16.99 percent of
5 the cost plus freight of which 15.99 percent shall be
6 designated to the credit of the General Fund of the state, and
7 1.0 percent shall be paid into the Treasury of the State and
8 designated as follows:

9 (1) 30.5 percent to the credit of the State
10 Department of Human Resources;

11 (2) 13.8 percent to the credit of the wet counties
12 of the state and shall be divided equally among each of said
13 counties and paid into their respective general funds;

14 (3) 1.4 percent to the credit of the wet counties of
15 the state and shall be divided equally among said counties and
16 used exclusively for the purposes of public health;

17 (4) 29.1 percent to the incorporated municipalities
18 in which an Alabama liquor store was located prior to October
19 1, 2015 with each municipality receiving as its percentage an
20 amount equal to the ratio of the profits earned by such
21 municipality's Alabama liquor store or stores to the total net
22 profits of all Alabama liquor stores;

23 (5) 20.9 percent to incorporated cities and towns in
24 the wet counties in the state on the basis of the ratio of the
25 population of each such city or town to the total population
26 of such cities and towns; and

1 (6) 4.3 percent to the wet counties in the state for
2 general purposes on the basis of the ratio of the population
3 of each such county of the population of all such counties.

4 "§28-3-202.

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

6 (b) Levy; collection; disposition of proceeds. In
7 addition to all other taxes of every kind now imposed by law
8 and in addition to any marked-up price authorized or required
9 by law, there is hereby levied and shall be collected a tax at
10 the rate of 10 percent upon the selling price of all
11 spirituous or vinous liquors sold by the board. Effective
12 October 1, 2015, this tax shall be 14 percent. The tax imposed
13 by this subsection shall be collected by the board from the
14 purchaser at the time the purchase price is paid. One half of
15 the proceeds derived from the tax shall be deposited in the
16 State Treasury to the credit of the Public Welfare Trust Fund
17 and shall be used for general welfare purposes and is hereby
18 appropriated therefor. The remainder of such proceeds from the
19 tax levied by this subsection shall be deposited in the State
20 Treasury to the credit of a special fund which shall be
21 designated the Alabama Special Mental Health Fund and shall be
22 used only for mental health purposes, including the prevention
23 of mental illness, the care and treatment of the mentally ill
24 and the mentally deficient and the acquisition, equipment,
25 operation and maintenance of facilities for mental health
26 purposes.

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

6 "§28-3-205.

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

8 (b) Levy and collection of tax. In addition to all
9 other taxes of every kind now imposed by law, and in addition
10 to any marked-up price authorized or required by law, there is
11 hereby levied and shall be collected a tax at the rate of 10
12 percent upon the selling price of all spirituous or vinous
13 liquors sold by the board. Effective October 1, 2015, this tax
14 shall be 6 percent. The tax hereby imposed shall be collected
15 by the board from the purchaser at the time the purchase price
16 is paid.

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

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

25 "§28-3-207.

26 ~~"There is hereby exempted from the provisions of~~
27 ~~this article and from the computation of the amount of tax~~

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

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

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

17 "§28-3-241.

18 "Any alcoholic beverages as enumerated and defined
19 in this chapter ~~to be sold or distributed by and through state~~
20 ~~liquor stores~~ found within this state in the possession of or
21 on the premises of ~~any~~ a person, firm, corporation, or
22 association of persons not having affixed thereto such mark of
23 identification showing that ~~said~~ the alcoholic beverages were
24 sold or distributed ~~by a state liquor store~~ as required by law
25 shall be subject to confiscation and sale in the same manner
26 as set forth in this chapter for malt or brewed beverages as
27 defined in this chapter and vinous beverages not exceeding 24

1 percent by volume which do not have affixed thereto the
2 required revenue stamps as provided for in this chapter.

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

9 "§28-3A-11.

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

1 only. A lounge liquor licensee may permit dancing or provide
2 other lawful entertainment on the licensed premises. No person
3 under 19 years of age shall be admitted on the premises of ~~any~~
4 a lounge liquor licensee as a patron or employee, and it shall
5 be unlawful for any ~~such~~ licensee to admit ~~any~~ a minor to the
6 premises as a patron or employee.

7 "§28-3A-12.

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

27 "§28-3A-19.

1 "Upon applicant's compliance with ~~the provisions of~~
2 this chapter and the regulations made thereunder, the board
3 shall issue a special retail license in wet counties for a
4 state park, racing commission, fair authority, airport
5 authority, or civic center authority, or the franchises or
6 concessionaire of such park, commission, or authority, and
7 ~~may, in its discretion,~~ issue a special retail license to any
8 other valid responsible organization of good reputation for
9 such period of time not to exceed one year and upon such terms
10 and conditions as the board shall prescribe, ~~which.~~ The
11 license will authorize the licensee to purchase, where the
12 retail sale thereof is authorized by the board, liquor and
13 wine from the board or as authorized by the board and table
14 wine and beer from ~~any a~~ a wholesale licensee of the board and
15 to sell at retail ~~and dispense~~ for on-premises consumption
16 such alcoholic beverages as are authorized by the board at
17 such locations authorized by the board upon such terms and
18 conditions as prescribed by the board. ~~Provided, however, no~~
19 No sale of alcoholic beverages shall be permitted on ~~any a~~ a
20 Sunday after the hour of 2:00 A.M.

21 "§28-3A-20.

22 "Upon applicant's compliance with this chapter and
23 the regulations made thereunder, and upon application made on
24 a form provided by the board at least ~~25~~ 120 days in advance
25 of the event for which a license is granted, the board shall
26 issue a special events license for a valid, responsible
27 organization of good reputation, for a period not to exceed

1 seven days, and upon such terms and conditions as the board
2 may prescribe. The license shall authorize the licensee to
3 purchase, where the retail sale thereof is authorized by the
4 board, liquor and wine from the board or as authorized by the
5 board and table wine and beer from ~~any a~~ wholesale licensee of
6 the board and to sell at retail ~~and dispense~~ for on-premises
7 consumption such alcoholic beverages as are authorized by the
8 board to the patrons, guests, or members of the organization
9 at such locations or areas as shall be authorized by the board
10 upon such terms and conditions as prescribed by the board. No
11 sale of alcoholic beverages shall be permitted on ~~any a~~ Sunday
12 after the hour of 2:00 A.M.

13 "§28-3A-21.

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

17 "(1) Manufacturer license, license fee of ~~five~~
18 ~~hundred dollars (\$500)~~ seven hundred fifty dollars (\$750).

19 "(2) Importer license, license fee of ~~five hundred~~
20 ~~dollars (\$500)~~ seven hundred fifty dollars (\$750).

21 "(3) Liquor wholesale license, license fee of ~~five~~
22 ~~hundred dollars (\$500)~~ seven hundred fifty dollars (\$750),
23 plus two hundred dollars (\$200) for each warehouse in addition
24 to the principal warehouse.

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

1 seven hundred fifty dollars (\$750); plus two hundred dollars
2 (\$200) for each warehouse in addition to the principal
3 warehouse.

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

6 "(6) Retail license, license fee of one thousand
7 five hundred dollars (\$1,500) for each retail outlet operated
8 under the license.

9 "~~(6)~~(7) Lounge retail liquor license, license fee of
10 three hundred dollars (\$300).

11 "~~(7)~~(8) Restaurant retail liquor license, license
12 fee of three hundred dollars (\$300).

13 "~~(8)~~(9) Club liquor license, Class I license fee of
14 three hundred dollars (\$300), Class II license fee of seven
15 hundred fifty dollars (\$750).

16 "~~(9)~~(10) Retail table wine license for off-premises
17 consumption, license fee of one hundred fifty dollars (\$150).

18 "~~(10)~~(11) Retail table wine license for on-premises
19 and off-premises consumption, license fee of one hundred fifty
20 dollars (\$150).

21 "~~(11)~~(12) Retail beer license for on-premises and
22 off-premises consumption, license fee of one hundred fifty
23 dollars (\$150).

24 "~~(12)~~(13) Retail beer license for off-premises
25 consumption, license fee of one hundred fifty dollars (\$150).

26 "~~(13)~~(14) Retail common carrier liquor license,
27 license fee of one hundred fifty dollars (\$150) for each

1 railroad, airline, bus line, ship line, vessel or other common
2 carrier entity with a vehicle passenger capacity of at least
3 10 people.

4 "~~(14)~~(15) Special retail license, license fee of one
5 hundred dollars (\$100) for 30 days or less; license fee of two
6 hundred fifty dollars (\$250) for more than 30 days.

7 "~~(15)~~(16) Special events retail license, license fee
8 of one hundred fifty dollars (\$150).

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

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

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

20 "§28-3A-22.

21 "The revenue derived from filing fees, license fees
22 or taxes levied under Section 28-3A-4 and Section 28-3A-21
23 shall be deposited upon receipt by the board in the State
24 Treasury to the credit of the ~~Beer Tax and License Fund and~~
25 ~~each month's receipts shall be distributed to the State~~
26 General Fund no later than the end of the following month.

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

7 "\$28-7-16.

8 (a) Levy. There is hereby levied in addition to the
9 license taxes provided for by this chapter and municipal and
10 county license taxes and in addition to any marked-up price
11 made by the board on wine sold by the board a privilege or
12 excise tax measured by and graduated in accordance with the
13 volume of sales of table wine containing not more than sixteen
14 and one-half percent alcohol by volume and shall be an amount
15 equal to forty-five cents (\$.45) per liter of table wine
16 containing not more than sixteen and one-half percent alcohol
17 by volume sold to the wholesale licensee or board, to be
18 collected from the purchaser by the board or by a licensed
19 retailer.

20 (b) Collection, Monthly Return, Remittance, Right to
21 Examine Books and Records.

22 (1) The tax levied by subsection (a) shall be added
23 to the sales price of all table wine containing not more than
24 sixteen and one-half percent alcohol by volume sold and shall
25 be collected from the purchasers. The tax shall be collected
26 in the first instance from the wholesaler where table wine
27 containing not more than sixteen and one-half percent alcohol

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

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

1 county or municipality within which the wine is sold at retail
2 filed not later than the 15th day of each month showing sales
3 by wholesalers during the preceding month and the county or
4 municipality in which sold and the taxes due thereon at the
5 rate of seven cents (\$.07) per liter of table wine containing
6 not more than sixteen and one-half percent alcohol by volume
7 sold; and the taxes due at such rate shall be remitted to the
8 county or municipality along with the return.

9 (3) The tax hereby levied shall be collected by the
10 board on the table wine containing not more than sixteen and
11 one-half percent alcohol by volume sold by the board and shall
12 be paid as follows: Taxes at the rate of thirty-eight cents
13 (\$.38) per liter of table wine containing not more than
14 sixteen and one-half percent alcohol by volume sold shall be
15 remitted by the board to the State Treasurer and taxes at the
16 rate of seven cents (\$.07) per liter of table wine containing
17 not more than sixteen and one-half percent alcohol by volume
18 sold shall be remitted by the board to the county or
19 municipality within which the wine was sold at retail not
20 later than the last day of the month following the month of
21 sale, as set forth in subsection (c).

22 (4) The board and the governing body of each county
23 and municipality served by the wholesaler shall have the
24 authority to examine the books and records of any person who
25 sells, stores, or receives for the purpose of distribution any
26 table wine, containing not more than sixteen and one-half

1 percent alcohol by volume to determine the accuracy of any
2 return required to be filed with it.

3 (c) Disposition of proceeds. The proceeds of the tax
4 levied by subsection (a) shall be paid and distributed as
5 follows:

6 (1) Thirty-eight cents (\$.38) per liter of table
7 wine containing not more than sixteen and one-half percent
8 alcohol by volume sold shall be collected by the board on its
9 sales or paid to the board by wholesale licensees on their
10 sales, and by the board paid to the State Treasurer to be
11 credited as net profits from operation of the board to be
12 distributed as provided by law until September 30, 2015.
13 Thereafter, these proceeds shall be credited to the State
14 General Fund.

15 (2) Seven cents (\$.07) per liter of table wine
16 containing not more than sixteen and one-half percent alcohol
17 by volume sold shall be paid by the board on its sales or by
18 wholesale licensees on their sales, either into the treasury
19 of the municipality in which the table wine was sold at retail
20 within its corporate limits, or, where sold outside the
21 corporate limits of any municipality, into the treasury of the
22 county in which the table wine was sold at retail.

23 (d) There is hereby levied in addition to the
24 license taxes provided for by this chapter and municipal and
25 county license taxes and in addition to any marked-up price
26 made by the board on wine sold by the board a privilege or
27 excise tax measured by and graduated in accordance with the

1 volume of sales of table wine containing more than sixteen and
2 one-half percent alcohol by volume. The tax shall be an amount
3 equal to two dollars and forty-two cents (\$2.42) per liter of
4 table wine containing more than sixteen and one-half percent
5 alcohol by volume sold to the wholesale licensee or board, to
6 be collected from the purchaser by the board or by a licensed
7 retailer.

8 (e) Collection, Monthly Return, Remittance, Right to
9 Examine Books and Records.

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

1 table wine containing more than sixteen and one-half percent
2 alcohol by volume for any other level of government.

3 (2) The tax levied in subsection (d) shall be
4 collected by a monthly return, which shall be filed by the
5 wholesale licensees with the board not later than the 15th day
6 of the second month following the month of receipt of table
7 wine containing more than sixteen and one-half percent alcohol
8 by volume by the wholesaler on a form prescribed by the board
9 showing receipts by the wholesalers from manufacturer,
10 importer, or other wholesaler licensees during the month of
11 receipt and the taxes due thereon at the rate of two dollars
12 and forty-two cents (\$2.42) per liter of table wine containing
13 more than sixteen and one-half percent alcohol by volume sold
14 to the wholesale licensee or board; the taxes due at such rate
15 shall be remitted to the board along with the return.

16 (3) The tax levied in subsection (d) shall be
17 collected by the board on table wine containing more than
18 sixteen and one-half percent alcohol by volume sold by the
19 board and shall be paid as follows: Taxes at the rate of two
20 dollars and forty-two cents (\$2.42) per liter of table wine
21 containing more than sixteen and one-half percent alcohol by
22 volume sold shall be remitted by the board to the State
23 Treasurer.

24 (4) The board shall have the authority to examine
25 the books and records of any person who sells, stores, or
26 receives for the purpose of distribution any table wine
27 containing more than sixteen and one-half percent alcohol by

1 volume, to determine the accuracy of any return required to be
2 filed with it.

3 (f) Disposition of proceeds. The proceeds of the tax
4 levied by subsection (d) shall be paid and distributed as
5 follows:

6 (1) Thirty-seven percent to the Alcoholic Beverage
7 Control Board.

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

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

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

13 (g) Taxes exclusive. The taxes herein levied are
14 exclusive and shall be in lieu of all other and additional
15 taxes and licenses of the state, county, or municipality,
16 imposed on or measured by the sale or volume of sale of table
17 wine; provided, that nothing herein contained shall be
18 construed to exempt the retail sale of table wine from the
19 levy of tax on general retail sales by the state, county, or
20 municipality in the nature of, or in lieu of, a general sales
21 tax.

22 (h) Trade between wholesalers exempt. The taxes
23 levied by subsections (a) and (d) shall not be imposed upon
24 the sale, trade, or barter of table wine by one licensed
25 wholesaler to another wholesaler licensed to sell and handle
26 table wine in this state, which transaction is hereby made
27 exempt from the tax; provided, however, the board may require

1 written reporting of any such transaction in the form as the
2 board may prescribe.

3 Section 25. All laws or parts of laws which conflict
4 or are inconsistent with this act are repealed. Sections
5 28-3-74 and 28-3-280 through 28-3-286 of the Code of Alabama
6 1975 are specifically repealed on October 1, 2015.

7 Section 26. (a) All other laws shall be read in pari
8 materia with this act, including, but not limited to, laws
9 regulating the sale of liquor and laws regulating licensees of
10 the board, so as to effectuate the intent and purposes
11 prescribed by this act.

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

16 Section 27. The provisions of this act are
17 severable. If any part of this act is declared invalid or
18 unconstitutional, that declaration shall not affect the part
19 which remains.

20 Section 28. This act shall become effective
21 immediately following its passage and approval by the
22 Governor, or its otherwise becoming law.