

1 SB115
2 164675-1
3 By Senators Orr, Whatley, and Melson
4 RFD: Finance and Taxation General Fund
5 First Read: 03-MAR-15

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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, 2016 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 require revocation or
13 suspension of licences issued by the board upon
14 proof of selling alcohol to a minor.

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

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

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

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4 To amend Sections 28-1-4, 28-2-22, 28-3-43,
5 28-3-53.1, 28-3-53.2, 28-3-202, 28-3-205, 28-3-207, 28-3-241,
6 28-3A-11, 28-3A-12, 28-3A-19, 28-3A-20, 28-3A-21, 28-3A-22,
7 28-3A-24, 28-3A-26, and 28-7-16 of the Code of Alabama 1975;
8 regarding the sale of alcoholic beverages and the Alcoholic
9 Beverage Control Board, requiring the Alabama Alcoholic
10 Beverage Control Board to phase out operations concerning the
11 retail sale of alcoholic beverages and granting these
12 privileges to licensees of the board; granting certain powers
13 to the board to facilitate the phase-out process, including
14 the establishment of a fund from which certain moneys may be
15 expended for phase-out costs; establishing application
16 requirements for retail licenses and identifying licensee
17 qualifications and disqualifications; establishing notice and
18 bidding procedures and bonding requirements; provide a
19 purchase option, with financing available, to eligible retail
20 licensees; provide penalties for inducing a person from
21 bidding for a retail license; providing a bid preference for
22 displaced employees; providing for annual retail license fees
23 and annual renewal of retail licenses; providing that each
24 retail license shall expire in the year 2016 and each tenth
25 year thereafter; requiring approval for the sale, assignment,
26 or transfer of retail licenses and for the surrender of retail
27 licenses; providing that certain existing retail licensees of

1 the board may continue to sell liquor for off-premises
2 consumption and prohibiting the sale or transfer of these
3 licenses; providing for the markup on alcohol sales and the
4 distribution of proceeds; providing for the reallocation of
5 the proceeds of the tax on table wine; providing certain
6 consideration, treatment, and benefits for displaced
7 employees; altering certain license fees and providing for
8 license fees for licensees; specifying remaining functions of
9 the board; creating the Products Selection Review Committee
10 and prescribing its duties; requiring the board to revoke or
11 suspend license upon certain proof of selling to a minor;
12 requiring the board to convert to an inventory bailment
13 system; providing for the distribution of certain payment
14 delayed for inventory purposes; permitting the board to enter
15 contracts for warehousing functions; and repealing Sections
16 28-3-74, and 28-3-280 through 28-3-286 of the Code of Alabama
17 1975.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. For the purposes of this act, the
20 following terms have the following meanings unless the context
21 clearly indicates otherwise:

22 (1) APPLICANT. A person who bids for a retail
23 license or who seeks the approval of the board to purchase or
24 otherwise acquire a retail license from a retail licensee in
25 accordance with this act.

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

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

6 (4) RETAIL LICENSE. A retail license permitting the
7 purchase of liquor from the board and the retail sale of the
8 liquor in original unopened containers for off-premises
9 consumption.

10 (5) EXECUTIVE OFFICER. The president of an applicant
11 or retail licensee, a vice-president of an applicant or retail
12 licensee in charge of a principal business unit or division,
13 or any other officer of an applicant or retail licensee who
14 performs a policy-making function.

15 (6) LIQUOR. The definition prescribed in Section
16 28-3-1 of the Code of Alabama 1975.

17 (7) PERSON. A natural person, corporation,
18 partnership, association, or other type of business
19 organization.

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

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

23 Section 2. (a) The Alabama Alcoholic Beverage
24 Control Board shall phase out the retail sale of alcoholic
25 beverages prior to October 1, 2016, and shall by that date
26 close all state liquor stores and all retail operations and
27 functions.

1 (b) (1) Notwithstanding Article 6 (commencing with
2 Section 41-16-120) of Chapter 16 of Title 41, Code of Alabama
3 1975, or any other law, the board, prior to October 1, 2016,
4 shall sell, liquidate, transfer, and dispose of all fixed
5 assets, equipment, and property of state liquor stores and
6 retail operations of the board. Any fixed assets, equipment,
7 and property not sold by the board by October 1, 2016, shall
8 be sold by the board as soon as possible.

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

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

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

18 a. Transferred directly to another state liquor
19 store if financially advantageous to the state.

20 b. Returned to the warehouse of the board or the
21 warehouse operated for the board.

22 c. Sold to a licensee of the board at a reasonable
23 price, including a discounted price if this method of
24 disposition is the most financially advantageous to the state.
25 The proceeds of the sale of merchandise inventory in this
26 manner shall be treated the same as the proceeds of the sale
27 of other liquor.

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

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

20 (c) Any remaining moneys in the fund after all
21 qualified expenses have been paid shall be paid into the State
22 General Fund.

23 Section 4. (a) The board shall terminate all leases
24 associated with state liquor stores and the retail operations
25 as these stores and operations are closed. The board shall not
26 enter into a lease as the lessee in regard to any property,
27 building, or facility used for retail operations of the board.

1 The board shall assist lessors of existing state liquor stores
2 in arranging lease agreements with licensees of the board as
3 provided in subsection (e) of Section 8.

4 (b) Neither the board nor a public officer,
5 including, but not limited to, the Governor, shall have
6 authority to perform any of the following functions and any
7 provision or portion of the Alabama Alcoholic Beverage Control
8 Act, Title 28 (commencing with Section 28-1-1) of the Code of
9 Alabama 1975 or other law granting such authority shall be
10 considered repealed:

11 (1) Execute, by action or lack of action, any
12 provision of an existing lease relating to state liquor stores
13 or retail operations of the board which would renew or extend
14 the term of the lease or incur a new obligation upon the board
15 or the state.

16 (2) Execute an extension or renewal of an existing
17 lease relating to state liquor stores or retail operations of
18 the board.

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

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

25 (1) Options permitting the board to terminate a
26 lease if certain existing law or provisions therein are
27 repealed.

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

4 (3) Options permitting the termination of a lease if
5 the lease constitutes a debt of the state in violation of
6 Section 213 of the Official Recompilation of the Constitution
7 of Alabama of 1901, as amended.

8 Section 5. The board shall have all the following
9 duties:

10 (1) Prescribe application forms for persons desiring
11 to acquire retail licenses and adopt an orderly procedure and
12 timetable for investigating, bidding, processing, and
13 approving applications.

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

16 (3) Disseminate to the public information relating
17 to the issuance of retail licenses.

18 (4) Enforce the provisions of this act.

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

24 Section 6. (a) Prior to or simultaneously with the
25 submission of a bid for a retail license, each applicant shall
26 file an application with the board, stating under oath each of
27 the following:

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

3 (2) If the applicant is a corporation, limited
4 partnership, partnership, association, or other business
5 organization, the name and business address of the applicant;
6 the state of its incorporation or organization; the names and
7 residence addresses of each executive officer, director, or
8 general partner of the entity; and the names and residence
9 addresses of any person owning, directly or indirectly, at
10 least 20 percent of the outstanding stock of or partnership
11 interests in the applicant.

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

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

24 (b) An applicant shall provide the board any
25 additional information requested.

26 (c) Whenever a change occurs in information provided
27 to the board, including, but not limited to, information

1 concerning a criminal conviction, the change shall immediately
2 be reported to the board in the same manner as originally
3 provided.

4 (d) The board shall disqualify each bid submitted by
5 an applicant under Section 8, and no applicant shall be issued
6 or eligible to hold at any time a retail license under this
7 act in either of the following instances:

8 (1) The applicant has been convicted in this state,
9 in any other state, or in any federal court of a felony, a
10 crime involving moral turpitude, or a crime involving the sale
11 or dispensing of alcoholic beverages.

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

26 Section 7. (a) Upon receipt of an application for a
27 retail license and such supplemental information as the board

1 may require, the board shall conduct an investigation of an
2 applicant.

3 (b) Upon the completion of the investigation of an
4 applicant, the board shall inform the applicant in writing
5 whether the application has been approved or denied, and shall
6 post a copy of the decision in the office of the board.

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

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

20 Section 8. (a) The issuance of retail licenses shall
21 be based on sealed competitive bids in accordance with this
22 section. The date for the opening of initial bids for licenses
23 shall be March 1, 2016. The date for opening subsequent bids
24 for these licenses shall be set by the board. Bids for the
25 issuance of retail licenses shall be obtained by public notice
26 published as a legal notice in compliance with Division 2
27 (commencing with Section 6-8-60) of Article 4 of Chapter 8 of

1 Title 6 of the Code of Alabama 1975. The notice shall be
2 published for three consecutive weeks and the last publication
3 of the notice shall appear more than 30 days prior to the
4 final day for submitting bids.

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

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

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

1 with the bidders, the board shall begin anew the bidding
2 process for that retail license. If the board negotiated with
3 a bidder, at the completion of the license year, or of the
4 single renewal year if renewed, the license shall expire and
5 have no further effect. At that time, the board shall begin
6 the bid process anew for that retail license. The person to
7 whom the license is issued pursuant to the bid process shall
8 have the opportunity to annually renew the license until the
9 expiration of the license term as defined in subsection (d) of
10 Section 14.

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

22 (e) Prior to the advertisement for bids for a retail
23 license, the board shall determine whether the lessor for each
24 existing state liquor store will agree to accept a retail
25 licensee as lessee for the store. Should the lessor agree to
26 accept a retail licensee, such retail licensee shall be
27 notified by the board of the option to lease the store. If

1 there are two or more retail licensees, or two or more state
2 liquor stores, the retail licensee who or which submitted the
3 highest bid shall be notified first by the board of the option
4 to lease the store, and if that retail licensee does not enter
5 a lease, then the retail licensee who or which submitted the
6 next highest bid for a retail license shall be notified by the
7 board of the option. The notification of the option shall be
8 given by the board in descending order to the licensee
9 offering the next highest bid for the license, until the
10 option for each store lease is accepted or refused by all
11 licensees. At the time the notice of the option is offered to
12 a licensee, the board shall offer to sell fixed assets,
13 equipment, or other property of the board to the licensee as
14 provided in Section 2. The board, pursuant to Section 2, may
15 also offer to sell merchandise inventory to the licensee.

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

22 (g) If the successful bidder fails to pay to the
23 board the bid price and the annual retail license fee, at the
24 time specified by the board, the bond provided for in Section
25 13 shall be forfeited and the bidder shall not be issued the
26 retail license. The board shall then issue the retail license
27 to the next highest bidder for the retail license, enter

1 negotiations as provided in subdivision (2) of subsection (c),
2 or reject all bids and start anew the bidding procedure for
3 the retail license. Moneys received from the forfeiture of a
4 bond shall be paid into the State General Fund.

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

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

20 Section 10. (a) The issuance of retail licenses for
21 the ten-year period beginning October 1, 2016, and for each
22 ten-year period thereafter, shall be based upon sealed
23 competitive bid in accordance with the provisions of Section 8
24 of this article except as provided in this section.

25 (b) Prior to accepting bids for retail licenses to
26 be issued for the ten-year period beginning October 1, 2016,
27 the board shall determine the minimum bid for each license

1 based upon a review of inflation data, demographic data, the
2 sales at each retail outlet permitted to operate under the
3 license and such other factors as the board may determine to
4 generate the revenues from liquor license renewal projected by
5 the Governor's official revenue estimates for fiscal year
6 2016-2017 as presented to the regular session of the
7 Legislature in 2016.

8 (c) Prior to accepting bids for retail licenses to
9 be issued for the ten-year periods beginning October 1, 2016,
10 and October 1 every ten years thereafter, the board shall
11 determine the minimum bid for each retail license based upon a
12 review of the sales at each retail outlet permitted to operate
13 under the retail license and such other factors as the board
14 may determine to generate the revenues from retail license
15 renewal projected by the Governor's official revenue estimates
16 for the fiscal year preceding the expiration of the retail
17 licenses.

18 (d) (1) Notwithstanding any provision of this article
19 to the contrary, prior to accepting bids for retail licenses
20 to be issued for the ten-year period beginning October 1,
21 2016, and every ten-year period thereafter, each active retail
22 licensee operating or seeking to operate a freestanding liquor
23 retail outlet shall be eligible to purchase a retail license
24 or licenses as provided in this subsection.

25 (2) At least sixty days prior to accepting bids for
26 retail licenses to be issued for the ten-year period beginning
27 October 1, 2016, and October 1 every ten years thereafter, the

1 board shall provide notice to each eligible retail licensee of
2 his or her option to purchase a retail license or licenses as
3 provided in this subsection. The board shall include with this
4 notice an explanation of the financing option provided in
5 Section 12 of this article and a financing application form
6 prepared by the commissioner.

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

13 (4) Each eligible retail licensee who elects to pay
14 a purchase option shall, within thirty days prior to the
15 acceptance of bids for the ten-year period beginning October
16 1, 2016, and October 1 every ten years thereafter, pay to the
17 commissioner an amount equal to ten percent over and above the
18 minimum bid as determined by the board for each retail license
19 the retail licensee wishes to purchase or, if the retail
20 licensee elects to take the financing option provided in
21 Section 12 of this article, a down payment, the amount of
22 which shall be calculated in accordance with the provisions of
23 that section. A retail licensee shall be awarded a retail
24 license or licenses upon the commissioner's receipt of his or
25 her payment or down payment. Provided, that the commissioner
26 determines that the retail licensee is in good standing with
27 the state and meets all other requirements imposed by the

1 provisions of this article for the issuance of a retail
2 license.

3 (5) A retail license purchased in accordance with
4 this subsection shall be issued for the ten-year period
5 beginning October 1, 2016, or October 1 every ten years
6 thereafter, and shall expire on September 30, 2026, or on
7 September 30 every ten years thereafter.

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

14 (e) All bids for a retail license for the ten-year
15 period beginning October 1, 2016, or for any ten-year period
16 thereafter may be rejected by the board if the board
17 determines that the highest bid fails to meet the minimum bid.
18 The board may also reject any or all bids where, in the
19 aggregate, the bids for all of the retail licenses fail to
20 meet the minimum aggregate bid. Where the board determines the
21 highest bid meets or exceeds the minimum bid, the board shall
22 determine whether, at the time of the bid, the same retail
23 license was held for the period ending September 30, 2016, or
24 for any ten-year period thereafter, on September 30 preceding
25 the expiration of the license. If the current retail licensee
26 holding the same retail license at the time of submission of
27 the bid for the period ending September 30, 2016, or for any

1 ten-year period thereafter, on September 30 preceding the
2 expiration of the retail license, submitted a bid that was not
3 less than the minimum bid and is, after considering any
4 preference applicable under the provisions of Section 9 of
5 this article, an unsuccessful bidder for the retail license
6 for the period beginning October 1, 2016, or for any ten-year
7 period thereafter, on October 1 when the retail license
8 expires, the commissioner shall notify the person that upon
9 paying the amount of the highest bid, subject to the
10 provisions of subsection (f) of this section, and upon
11 compliance with all other requirements imposed by the
12 provisions of this article for the issuance of the license,
13 the retail license for the ten-year period beginning October
14 1, 2016, or for any ten-year period thereafter, shall be
15 issued to the current retail licensee. If, within the time
16 determined by the commissioner, the current retail licensee
17 pays the amount to the commissioner and complies with all
18 other requirements imposed by the provisions of this article
19 for the issuance of the retail license, the retail license for
20 the ten-year period beginning October 1, 2016, or for any
21 ten-year period thereafter, shall be issued to the current
22 retail licensee.

23 (f) The board shall, in determining the amount a
24 current retail licensee who is an unsuccessful bidder shall
25 pay as described in subsection (e) of this section, afford the
26 unsuccessful bidder a preference. If the unsuccessful bidder
27 is a displaced employee as provided in Section 9 of this

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

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

19 Section 11. (a) Any person who gives another person
20 any thing of value to induce the other to refrain from bidding
21 for a retail license is guilty of a misdemeanor and, upon
22 conviction, shall be fined not more than ten thousand dollars
23 (\$10,000), and, in addition, shall be subject to a civil
24 penalty payable to the commissioner of not more than one
25 million dollars (\$1,000,000).

26 (b) Any person who gives a person any thing of value
27 to induce the other to refrain from operating an outlet

1 authorized under a retail license is guilty of a misdemeanor
2 and, upon conviction, shall be fined not more than ten
3 thousand dollars (\$10,000), and, in addition, shall be subject
4 to a civil penalty payable to the commissioner of not more
5 than one million dollars (\$1,000,000).

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

15 (b) The commissioner shall prepare an application
16 form for retail licensees who desire to elect the financing
17 option provided in this section. The commissioner shall make
18 the form available to retail licensees in paper or electronic
19 format at least sixty days prior to the acceptance of bids for
20 the ten-year period beginning October 1, 2016, and October 1
21 every ten years thereafter. At a minimum, the application form
22 shall require the following information:

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

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

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

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

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

12 (c) For an applicant to be considered for financing,
13 the application required under subsection (b) of this section
14 must be submitted to the commissioner with a down payment of
15 fifty percent of the total amount due under the financing
16 agreement provided in subsection (d) of this section no later
17 than May 1, 2016, or, for subsequent retail license periods,
18 May 1 every ten years thereafter. The commissioner shall make
19 a determination as to the eligibility of an applicant for
20 financing and the issuance of a retail license within fifteen
21 days of his or her receipt of the application. If the
22 commissioner determines that an applicant is ineligible for
23 financing, is not in good standing with the state or does not
24 otherwise meet the requirements of this article for the
25 issuance of a retail license, the commissioner shall notify
26 the applicant that his or her application for financing is
27 denied and shall refund in full any moneys paid to the

1 commissioner as a down payment. If the applicant's application
2 for financing is denied for any reason other than the fact
3 that the applicant is not in good standing with the state or
4 is not otherwise eligible for the issuance of a retail
5 license, the commissioner shall provide the applicant the
6 option of paying the full amount of a purchase option for a
7 retail license or licenses as provided in subsection (d) of
8 Section 10 of this article. At the request of the applicant,
9 the commissioner may credit any moneys received as a down
10 payment towards payment of the full amount of a purchase
11 option for a retail license or licenses.

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

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

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

25 (3) The total amount due, not including the required
26 down payment, to be payable to the commissioner in monthly or
27 quarterly installments over a period of sixty months. If a

1 retail licensee elects to pay in monthly installments, his or
2 her first payment is due on October 1 and successive payments
3 are due on the first day of each month thereafter until the
4 debt is retired. If a retail licensee elects to pay in
5 quarterly installments, his or her first payment is due on
6 October 1 and successive payments are due on the first day of
7 every third month thereafter until the debt is retired;

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

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

26 Section 13. Each applicant submitting a bid under
27 Section 8 shall furnish to the board a bond at the time of

1 bidding, which bond shall guarantee the payment of 25 percent
2 of the price bid for the retail license. The bond required by
3 this section shall be furnished in cash or negotiable
4 securities or shall be a surety bond issued by a surety
5 company authorized to do business with the state or an
6 irrevocable letter of credit issued by a financial institution
7 acceptable to the board. If furnished in cash or negotiable
8 securities, the principal shall be deposited without
9 restriction in the Office of State Treasurer and credited to
10 the board. Any income shall inure to the benefit of the State
11 General Fund. The bond shall be returned to an applicant
12 following the bidding if the applicant is not the successful
13 bidder for the retail license. If an applicant is the
14 successful bidder, the bond shall be released after issuance
15 of the retail license.

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

23 (b) All retail licenses shall expire on September 30
24 of each year and may be renewed only upon the submission to
25 the board of the same information required for the issuance of
26 the license and any additional information requested by the
27 board. The information shall be submitted on forms and by the

1 date prescribed by the board. The payment to the board of the
2 applicable annual retail license fee shall accompany this
3 information.

4 (c) The board may suspend or revoke a license in the
5 manner prescribed by law. No person may sell liquor at a
6 retail outlet if the retail license applicable to the outlet
7 has been suspended, revoked, or expired. If a license has been
8 revoked or has expired, the board shall proceed to reissue the
9 retail license for the remaining license term as defined in
10 subsection (d) by following the bidding and other procedures
11 set forth in the initial issuance of a retail license. If
12 financially advantageous to the state, the negotiation
13 procedure specified in subsection (c) of Section 8 may be used
14 by the board instead of the bidding process. If the bidding
15 process is used and bids are rejected as being inadequate, the
16 negotiation procedure may be used at that time or the bidding
17 process may begin anew.

18 (d) All retail licenses issued or renewed under this
19 act shall expire and be of no further effect after September
20 30, 2016, prior to which time new retail licenses shall be
21 issued to become effective on October 1, 2026, by following
22 the provisions of Section 8 regarding the bidding and other
23 procedures set forth for the initial issuance of retail
24 licenses. The licenses issued on October 1, 2026 may be
25 annually renewed by the holder, upon meeting all requirements
26 of law, for up to 10 years. Each tenth year after the year
27 2026, the license shall expire on September 30 and be of no

1 further effect. Prior to the time of expiration, by following
2 the provisions of Section 8 regarding the bidding and other
3 procedures set forth for the initial issuance of retail
4 licenses, a new retail license shall be issued, which may be
5 annually renewed during the next 10-year period. For the
6 purposes of this act, this 10-year time period shall be
7 referred to as the license term.

8 (e) If a dry county or a dry municipality approves
9 the sale of liquor after December 1, 2015, the board shall
10 issue retail licenses for a time period equal to the remainder
11 of the license term of other licensees. The board shall issue
12 the licenses by following the bidding and other procedures set
13 forth in Section 8 regarding the initial issuance of other
14 retail licenses. If financially advantageous to the state, the
15 negotiation procedure specified in subsection (c) of Section 8
16 may be used by the board instead of the bidding process. If
17 the bidding process is used and bids are rejected as being
18 inadequate, the negotiation procedure may be used at that time
19 or the bidding process may begin anew.

20 (f) If the area or a portion of the area in which a
21 holder of a license prohibits the retail sale of liquor, the
22 licensee shall not be permitted to sell liquor in that area or
23 that portion of the area. If, within the license term, the
24 area or the portion of the area subsequently permits the sale
25 of liquor, the licensee may resume the retail sale of liquor
26 as authorized by the license for the remaining license term.
27 If a licensee is prohibited from selling liquor, the licensee

1 shall not be entitled to a refund of any portion of the bid
2 price payment or the annual license fee.

3 Section 15. (a) No person may purchase or otherwise
4 acquire a retail license unless the board has first approved
5 of the qualifications of the person to hold the retail
6 license, which qualifications shall be the same as those
7 required under Section 6.

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

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

1 Section 17. (a) In addition to the licensees under
2 this act, only licensees possessing authority on the date this
3 act was introduced into the Legislature of Alabama to sell
4 liquor in original unopened containers at retail for
5 off-premises consumption may continue to sell liquor in
6 original unopened containers at retail for off-premises
7 consumption according to the terms of the license on the date
8 of issuance to the licensee. Notwithstanding any other law,
9 these licensees may annually renew this license with this
10 privilege and subject to those terms for a period of ten
11 years. Notwithstanding any other law, these licensees may not
12 sell or transfer the license.

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

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

20 Section 18. Alcohol sold at retail in stores
21 operated by the Alabama Alcoholic Beverage Control Board prior
22 to October 1, 2016 shall be subject to the tax and markup
23 presently provided by law and the proceeds of that tax shall
24 be distributed as presently provided by law. Alcohol sold by
25 the board after retail stores have been phased-out shall
26 continue to be subject to the tax presently provided by law
27 with the proceeds distributed as provided by law. The markup

1 on alcohol sold by the Alabama Alcoholic Beverage Control
2 Board after the phase-out of retail operations shall be as
3 provided in Section 28-3-53.2.

4 Section 19. (a) (1) This act shall not be construed
5 as prohibiting a municipality from collecting municipal sales
6 taxes on liquor sold by any retail licensee of the board,
7 including, but not limited to, a retail licensee at the same
8 rate levied by the municipality on the sales of other tangible
9 property.

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

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

24 (b) (1) This act shall not be construed as
25 prohibiting a county that is authorized to levy a sales tax,
26 in addition to the tax authorized by Section 40-12-4 of the
27 Code of Alabama 1975, from collecting the county sales tax on

1 the retail sale of liquor in original unopened containers for
2 off-premises consumption by a licensee of the board at the
3 same rate levied by the county on the sales of other tangible
4 property. This act shall not be construed as granting this
5 taxing authority to a county.

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

16 (3) For the purposes of this subsection (b), 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 Section 20. (a) Upon the effective date of this act,
20 the board shall implement a hiring freeze on the employment of
21 new employees. This hiring freeze shall continue until October
22 1, 2016. If an essential position must be filled during the
23 hiring freeze period, the board shall fill the position with a
24 displaced retail employee, if the employee is qualified. If a
25 displaced retail employee is determined unqualified for the
26 essential position, the employee may request the Director of
27 the State Personnel Department to determine if the employee is

1 qualified. Upon request, the director shall make the
2 determination and notify the employee and the board. If the
3 director determines the employee is qualified, the board shall
4 offer the position to the employee. If there are no displaced
5 retail employees qualified to fill an essential position, the
6 board may contract with an individual to fill the essential
7 position during the hiring freeze period. The employment
8 contract shall not extend beyond September 30, 2016. The board
9 shall fill nonessential positions with displaced employees of
10 the retail operations of the board as provided in subsection
11 (e).

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

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

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

6 (e) The board shall permit displaced employees of
7 the retail operations to transfer to other board operations,
8 if feasible.

9 (f) Displaced employees of the retail operations of
10 the board, subject to state law, may transfer to other
11 positions within the state personnel system and shall be given
12 preference if qualified.

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

1 (h) A state Merit System employee who loses his or
2 her job as a direct consequence of this act, as determined by
3 the Director of the State Personnel Department, shall be given
4 a bidding preference for a retail license, for a period of two
5 years, as provided in Section 9. An employee entitled to a bid
6 preference shall be given a 20 percent discount on retail
7 license and permit fees for the first two years after
8 issuance.

9 (i) A licensee of the board who employs full-time,
10 for a period of 12 consecutive months or longer, a displaced
11 state Merit System employee of the board who lost his or her
12 job as a direct consequence of this act, as determined by the
13 Director of the State Personnel Department, shall be given a
14 20 percent discount on license and permit fees collected by
15 the board for each complete year the displaced employee is
16 employed full-time. No licensee may receive a discount for
17 more than five years. The board shall require necessary
18 verification of such employment.

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

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

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

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

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

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

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

24 (b) The committee shall meet quarterly, and at other
25 necessary times as determined by the committee. A majority of
26 the members of the committee shall constitute a quorum. The

1 board shall provide clerical and technical assistance to the
2 committee and necessary office space.

3 (c) The committee shall review the policies and
4 procedures of the board concerning the availability of
5 products offered to licensees of the board. The committee
6 shall review prices charged by the board for products sold to
7 licensees. The committee shall also review any complaint filed
8 with the board or the committee regarding the availability of
9 liquor offered to licensees of the board, including, but not
10 limited to, complaints regarding the failure of the board to
11 readily supply requested liquor products as required by
12 subsection (a) of Section 22. The members of the board and
13 employees of the board shall supply the committee with all
14 requested information regarding product selections, offerings,
15 availabilities, and pricing.

16 (d) Any irregularity or possible violation of law
17 discovered by the committee concerning product selections,
18 offerings, availability, and pricing shall be immediately
19 reported by the committee to both of the following entities:

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

22 (2) The State Ethics Commission. The report of the
23 committee shall be in the form of a complaint, as required in
24 Section 36-25-4 of the Code of Alabama 1975, so that the State
25 Ethics Commission, pursuant to law, shall commence an
26 investigation regarding the irregularity or possible violation
27 of law.

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

5 "§28-1-4.

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

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

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

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

26 "§28-2-22.

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

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

24 "(2) The governing body of ~~any~~ a county which has
25 adopted the special method as provided in Section 28-2-21 may
26 from time to time vote to exclude the sale of alcoholic
27 beverages within all or any part of its unincorporated areas,

1 but if a municipality annexes ~~any~~ an unincorporated area, that
2 area shall be subject to the rules of the municipality with
3 regard to the sale and distribution of alcoholic beverages.

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

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

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

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

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

16 "§28-3-43.

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

19 "(1) To buy, manufacture, and sell at wholesale
20 alcoholic beverages and to have alcoholic beverages in its
21 possession for sale at wholesale, as defined and enumerated in
22 this chapter and by general law, and to have alcoholic
23 beverages in its possession for sale at retail at any time
24 prior to October 1, 2016.

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

1 "(3) To determine the localities within which ~~any a~~
2 state operated liquor store ~~shall~~ may be ~~established and~~
3 operated and the location of ~~such~~ the state operated liquor
4 store at any time prior to October 1, 2016. No state operated
5 liquor store shall be established in and neither the board nor
6 any other person may legally buy, manufacture, or sell
7 alcoholic beverages in ~~any a~~ county which has voted in the
8 negative in ~~any an~~ election called as provided in Chapter 2 of
9 this title for determining the ~~said~~ issue unless and until
10 ~~said~~ the county has at a subsequent similar election voted in
11 the affirmative. The board shall have the power at any time
12 prior to October 1, 2016, to ~~establish and~~ maintain state
13 operated liquor stores for the sale of liquors as defined in
14 this chapter; ~~provided, that municipalities.~~ Municipalities
15 may by proper zoning ordinances establish zones or districts
16 within which ~~such~~ state operated liquor stores may or may not
17 be established; ~~provided further, that the.~~ The number of
18 state operated liquor stores in ~~any a~~ municipality shall be
19 limited to two ~~such~~ stores for municipalities of 25,000
20 population or less according to the last or any subsequent
21 federal census and, in municipalities having more than 25,000
22 population, such additional stores as the board, in its
23 discretion, may determine.

24 "(4) To make provision for the maintenance of
25 warehouses for alcoholic beverages and to control the delivery
26 of alcoholic beverages to and from such warehouses and the
27 keeping of the same therein. The board, by competitive bid as

1 provided in Chapter 16 of Title 41 of the Code of Alabama
2 1975, may enter into contracts with private entities for the
3 receipt, storage, delivery, or distribution, or any
4 combination thereof, of alcoholic beverages held by the board.
5 The board shall supervise and maintain control over the
6 actions of such a private contractor to ensure the laws of
7 this state are properly enforced.

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

18 "(6) To appoint, subject to the provisions of the
19 Merit System and other laws, every officer, agent, inspector,
20 investigator, and employee, in accordance with the
21 qualifications specifically set out in this chapter, required
22 for the operation of the business of ~~said~~ the board, and
23 commission ~~such~~ the agents, inspectors, and or investigators as
24 necessary to make arrests and execute search warrants and have
25 the same authority as designated to peace officers ~~as now~~
26 ~~authorized~~ by law, and assign all employees their official
27 positions and titles, define their respective duties and

1 powers, require them ~~or any of them~~ to give bonds payable to
2 the state in such penalty as shall be fixed by the board; and
3 engage the services of experts and persons engaged in the
4 practice of a profession.

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

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

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

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

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

1 "(12) To require all wholesalers who make sales of
2 alcoholic beverages of any kind as defined in this chapter to
3 ~~any~~ a state operated liquor store or other authorized licensee
4 to forward, when the shipments of ~~such~~ the alcoholic beverages
5 are made, to the board an invoice setting out the quantities
6 of beverages purchased, and the price quotation showing at
7 what price such beverages were sold and such invoice and
8 quotation to be placed on record in the records of the
9 Alcoholic Beverage Control Board of the State of Alabama and
10 to be held for a period of not less than 18 months.

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

14 "§28-3-53.1.

15 "(a) There shall be no distribution of any taxes
16 collected on alcoholic beverages sold by the Alabama Alcoholic
17 Beverage Control Board or of any funds distributed as net
18 profits by said board for at least 25 days beginning October
19 1, 1983, for at least 55 days by September 30, 1984, for at
20 least 85 days by September 30, 1985, for at least 115 days by
21 September 30, 1986, for at least 120 days by September 30,
22 1987, and ~~thereafter~~ until October 1, 2016, from the close of
23 the month in which the ~~said~~ taxes or ~~said~~ funds are realized.
24 The moneys so realized are intended for use by ~~said~~ the board
25 for inventory purposes. This subsection shall be inoperative
26 after September 30, 2016.

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

6 "(b) Effective October 1, 2016, the board shall
7 maintain merchandise inventory by means of a bailment system.

8 "(c) Any taxes previously collected and maintained
9 in the working inventory capital fund as of July 1, 2016,
10 shall be transferred to the State General Fund. Any additional
11 taxes collected but not distributed as of October 1, 2016,
12 pursuant to subsection (a) of this section shall first be
13 distributed in the same manner and in the amounts due for the
14 month of October, 2016, to all current tax recipients and the
15 remainder shall be transferred to the State General Fund no
16 later than January 31, 2017.

17 "§28-3-53.2.

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

25 (b) Until September 30, 2016, the ~~The~~ total amount
26 of the additional mark up on cost of merchandise, levied by
27 the Alcoholic Beverage Control Board subsequent to June 30,

1 1983, shall be designated to the credit of the General Fund of
2 the state.

3 (c) Until September 30, 2016, the ~~The~~ board shall be
4 prohibited from increasing the mark up on wholesale case lot
5 sales of liquor above 16.99 percent of the cost plus freight
6 subsequent to December 1, 2004.

7 (d) Effective October 1, 2016, the markup on
8 wholesale case lot sales of liquor shall be 16.99 percent of
9 the cost plus freight of which 15.99 percent shall be
10 designated to the credit of the General Fund of the state, and
11 1.0 percent shall be paid into the Treasury of the State and
12 designated as follows:

13 (1) 30.5 percent to the credit of the State
14 Department of Human Resources;

15 (2) 13.8 percent to the credit of the wet counties
16 of the state and shall be divided equally among each of said
17 counties and paid into their respective general funds;

18 (3) 1.4 percent to the credit of the wet counties of
19 the state and shall be divided equally among said counties and
20 used exclusively for the purposes of public health;

21 (4) 29.1 percent to the incorporated municipalities
22 in which an Alabama liquor store was located prior to October
23 1, 2016 with each municipality receiving as its percentage an
24 amount equal to the ratio of the profits earned by such
25 municipality's Alabama liquor store or stores to the total net
26 profits of all Alabama liquor stores;

1 (5) 20.9 percent to incorporated cities and towns in
2 the wet counties in the state on the basis of the ratio of the
3 population of each such city or town to the total population
4 of such cities and towns; and

5 (6) 4.3 percent to the wet counties in the state for
6 general purposes on the basis of the ratio of the population
7 of each such county of the population of all such counties.

8 "§28-3-202.

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

10 (b) Levy; collection; disposition of proceeds. In
11 addition to all other taxes of every kind now imposed by law
12 and in addition to any marked-up price authorized or required
13 by law, there is hereby levied and shall be collected a tax at
14 the rate of 10 percent upon the selling price of all
15 spirituous or vinous liquors sold by the board. Effective
16 October 1, 2016, this tax shall be 14 percent. The tax imposed
17 by this subsection shall be collected by the board from the
18 purchaser at the time the purchase price is paid. One half of
19 the proceeds derived from the tax shall be deposited in the
20 State Treasury to the credit of the Public Welfare Trust Fund
21 and shall be used for general welfare purposes and is hereby
22 appropriated therefor. The remainder of such proceeds from the
23 tax levied by this subsection shall be deposited in the State
24 Treasury to the credit of a special fund which shall be
25 designated the Alabama Special Mental Health Fund and shall be
26 used only for mental health purposes, including the prevention
27 of mental illness, the care and treatment of the mentally ill

1 and the mentally deficient and the acquisition, equipment,
2 operation and maintenance of facilities for mental health
3 purposes.

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

9 "§28-3-205.

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

11 (b) Levy and collection of tax. In addition to all
12 other taxes of every kind now imposed by law, and in addition
13 to any marked-up price authorized or required by law, there is
14 hereby levied and shall be collected a tax at the rate of 10
15 percent upon the selling price of all spirituous or vinous
16 liquors sold by the board. Effective October 1, 2016, this tax
17 shall be 6 percent. The tax hereby imposed shall be collected
18 by the board from the purchaser at the time the purchase price
19 is paid.

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

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

1 "§28-3-207.

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

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

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

20 "§28-3-241.

21 "Any alcoholic beverages as enumerated and defined
22 in this chapter ~~to be sold or distributed by and through state~~
23 ~~liquor stores~~ found within this state in the possession of or
24 on the premises of ~~any~~ a person, firm, corporation, or
25 association of persons not having affixed thereto such mark of
26 identification showing that ~~said~~ the alcoholic beverages were
27 sold or distributed ~~by a state liquor store~~ as required by law

1 shall be subject to confiscation and sale in the same manner
2 as set forth in this chapter for malt or brewed beverages as
3 defined in this chapter and vinous beverages not exceeding 24
4 percent by volume which do not have affixed thereto the
5 required revenue stamps as provided for in this chapter.

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

12 "§28-3A-11.

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

1 in ~~any~~ a county or municipality in which the sale thereof is
2 permitted, to patrons. The license shall authorize the
3 licensee to sell at retail liquor for on-premises consumption
4 only. A lounge liquor licensee may permit dancing or provide
5 other lawful entertainment on the licensed premises. No person
6 under 19 years of age shall be admitted on the premises of ~~any~~
7 a lounge liquor licensee as a patron or employee, and it shall
8 be unlawful for any ~~such~~ licensee to admit ~~any~~ a minor to the
9 premises as a patron or employee.

10 "§28-3A-12.

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

1 consumption and to sell ~~all of the above~~ table wine and beer
2 for off-premises consumption except on Sunday.

3 "§28-3A-19.

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

24 "§28-3A-20.

25 "Upon applicant's compliance with this chapter and
26 the regulations made thereunder, and upon application made on
27 a form provided by the board at least ~~25~~ 120 days in advance

1 of the event for which a license is granted, the board shall
2 issue a special events license for a valid, responsible
3 organization of good reputation, for a period not to exceed
4 seven days, and upon such terms and conditions as the board
5 may prescribe. The license shall authorize the licensee to
6 purchase, where the retail sale thereof is authorized by the
7 board, liquor and wine from the board or as authorized by the
8 board and table wine and beer from ~~any~~ a wholesale licensee of
9 the board and to sell at retail ~~and dispense~~ for on-premises
10 consumption such alcoholic beverages as are authorized by the
11 board to the patrons, guests, or members of the organization
12 at such locations or areas as shall be authorized by the board
13 upon such terms and conditions as prescribed by the board. No
14 sale of alcoholic beverages shall be permitted on ~~any~~ a Sunday
15 after the hour of 2:00 A.M.

16 "§28-3A-21.

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

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

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

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

1 (4) Wholesaler license, beer license fee of five
2 hundred fifty dollars (\$550) or wine license fee of five
3 hundred fifty dollars (\$550); license fee for beer and wine of
4 seven hundred fifty dollars (\$750); plus two hundred dollars
5 (\$200) for each warehouse in addition to the principal
6 warehouse.

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

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

12 "~~(6)~~(7) Lounge retail liquor license, license fee of
13 three hundred dollars (\$300).

14 "~~(7)~~(8) Restaurant retail liquor license, license
15 fee of three hundred dollars (\$300).

16 "~~(8)~~(9) Club liquor license, Class I license fee of
17 three hundred dollars (\$300), Class II license fee of seven
18 hundred fifty dollars (\$750).

19 "~~(9)~~(10) Retail table wine license for off-premises
20 consumption, license fee of one hundred fifty dollars (\$150).

21 "~~(10)~~(11) Retail table wine license for on-premises
22 and off-premises consumption, license fee of one hundred fifty
23 dollars (\$150).

24 "~~(11)~~(12) Retail beer license for on-premises and
25 off-premises consumption, license fee of one hundred fifty
26 dollars (\$150).

1 ~~(12)~~(13) Retail beer license for off-premises
2 consumption, license fee of one hundred fifty dollars (\$150).

3 "~~(13)~~(14) Retail common carrier liquor license,
4 license fee of one hundred fifty dollars (\$150) for each
5 railroad, airline, bus line, ship line, vessel or other common
6 carrier entity with a vehicle passenger capacity of at least
7 10 people.

8 "~~(14)~~(15) Special retail license, license fee of one
9 hundred dollars (\$100) for 30 days or less; license fee of two
10 hundred fifty dollars (\$250) for more than 30 days.

11 "~~(15)~~(16) Special events retail license, license fee
12 of one hundred fifty dollars (\$150).

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

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

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

24 "§28-3A-22.

25 "The revenue derived from filing fees, license fees
26 or taxes levied under Section 28-3A-4 and Section 28-3A-21
27 shall be deposited upon receipt by the board in the State

1 Treasury to the credit of the ~~Beer Tax and License Fund~~ and
2 ~~each month's receipts shall be distributed to the State~~
3 General Fund no later than the end of the following month.

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

10 "§28-3A-24.

11 "(a) The board shall have full and final authority
12 as to the suspension or revocation of any license issued under
13 this chapter and to levy a fine against a licensee in lieu of
14 such suspension or revocation. The board shall have the full
15 right and authority to suspend any retail license issued by it
16 for any reason which it may deem sufficient and proper.

17 "Provided, however, the board may appoint a hearing
18 commission of not less than three members to hear and decide
19 all contested applications of licenses under this chapter, and
20 hear and decide all charges against any licensee for violation
21 of this chapter, the law or the regulations of the board and
22 shall have the power and authority to revoke or suspend for
23 cause licenses and permits, or to fine licensees provided in
24 this chapter. Provided, no member of the hearing commission
25 shall participate in the hearing or disposition of any
26 application for license or charge against a licensee if he has
27 an interest therein or he was involved in the investigation.

1 "(b) The board or a hearing commission appointed by
2 the board, upon sufficient cause being shown or proof being
3 made that any licensee holding a license issued by the board,
4 or any partners, members, officers, or directors of the
5 licensee has or have violated any of the laws of this state or
6 regulations of the board relating to the manufacture, sale,
7 possession or transportation of alcoholic beverages, or where
8 the licensed premises has been conducted in a manner
9 prejudicial to the welfare, health, peace, temperance and
10 safety of the people of the community or of the state, may
11 upon due notice and proper hearing being given to the person
12 so licensed, suspend or revoke the license issued by the
13 board. In all such cases where the board or hearing commission
14 shall suspend or revoke a license, it shall set forth its
15 findings of fact, the evidence from which such findings of
16 fact are made, and the reasons upon which its actions are
17 based.

18 "Provided, however, upon sufficient cause being
19 shown or proof being made of any licensee violating Section
20 28-3A-25(a)(3), the board shall immediately revoke or suspend
21 the associated license for a period of one year. This
22 revocation shall be subject to review by the board or hearing
23 commission within a reasonable time.

24 "(c) When, in the opinion of the board or hearing
25 commission, a fine is deemed more appropriate than suspending
26 or revoking a license, the board or hearing commission is
27 authorized to fine the licensee for any cause that could

1 result in suspension or revocation. Such fines may not exceed
2 the sum of \$1,000.00. The licensee must remit the fine to the
3 administrator within one week of the day that such fine is
4 levied. Failure to pay the fine within this period shall
5 result in an automatic suspension of the license until such
6 fine is paid. All fines collected by the board shall be paid
7 by the administrator into the Treasury of the state and
8 credited to the General Fund.

9 "(d) The maximum length of suspension of a license
10 under these provisions shall be one year, and any licensee
11 whose license is suspended by the board or hearing commission
12 shall be, at the discretion of the board or hearing
13 commission, ineligible to have any license under this chapter
14 until the expiration or removal of the suspension. Any
15 licensee whose license is revoked by the hearing commission or
16 the board shall be, at the discretion of the board or hearing
17 commission, ineligible to have any license under this chapter
18 until the expiration of one year from the date such license is
19 revoked. The board or hearing commission is hereby granted
20 broad discretionary powers in exercising its authority under
21 this section.

22 "§28-3A-26.

23 "Except as set out in Section 28-3A-24(b), Any
24 person who has been found guilty of violating any of the
25 provisions of this chapter and who, after being punished by
26 fine, penalty, assessment or imprisonment shall be guilty of a
27 second or subsequent violation of this chapter, shall upon

1 being found guilty of such second or subsequent offense, have
2 the license or permit as provided in this chapter revoked by
3 the board, and no further license or permit shall be issued or
4 granted to such person for a period of one year from the date
5 the license or permit shall have been revoked.

6 "§28-7-16.

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

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

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

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

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

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

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

21 (4) The board and the governing body of each county
22 and municipality served by the wholesaler shall have the
23 authority to examine the books and records of any person who
24 sells, stores, or receives for the purpose of distribution any
25 table wine, containing not more than sixteen and one-half
26 percent alcohol by volume to determine the accuracy of any
27 return required to be filed with it.

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

4 (1) Thirty-eight cents (\$.38) per liter of table
5 wine containing not more than sixteen and one-half percent
6 alcohol by volume sold shall be collected by the board on its
7 sales or paid to the board by wholesale licensees on their
8 sales, and by the board paid to the State Treasurer to be
9 credited as net profits from operation of the board to be
10 distributed as provided by law until September 30, 2016.
11 Thereafter, these proceeds shall be credited to the State
12 General Fund.

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

21 (d) There is hereby levied in addition to the
22 license taxes provided for by this chapter and municipal and
23 county license taxes and in addition to any marked-up price
24 made by the board on wine sold by the board a privilege or
25 excise tax measured by and graduated in accordance with the
26 volume of sales of table wine containing more than sixteen and
27 one-half percent alcohol by volume. The tax shall be an amount

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

6 (e) Collection, Monthly Return, Remittance, Right to
7 Examine Books and Records.

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

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

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

22 (4) The board shall have the authority to examine
23 the books and records of any person who sells, stores, or
24 receives for the purpose of distribution any table wine
25 containing more than sixteen and one-half percent alcohol by
26 volume, to determine the accuracy of any return required to be
27 filed with it.

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

4 (1) Thirty-seven percent to the Alcoholic Beverage
5 Control Board.

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

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

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

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

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

1 Section 25. All laws or parts of laws which conflict
2 or are inconsistent with this act are repealed. Sections
3 28-3-74 and 28-3-280 through 28-3-286 of the Code of Alabama
4 1975 are specifically repealed on October 1, 2016.

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

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

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

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