

ALABAMA ALCOHOLIC BEVERAGE CONTROL BOARD
ADMINISTRATIVE CODE

CHAPTER 20-X-5
LICENSING

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(1) Every applicant for an ABC Board license, in addition to information and statements required under Title 28, Code of Ala. 1975, shall also give the ABC Board, as part of such application, the following:

(a) The name, date, place of birth, address, telephone number, race, gender, driver's license number, and social security number of every person who has any proprietary or profit interest in the licensed establishment, except in the case of

public corporations, whose shares are traded on a recognized stock exchange.

(b) The true, correct, and complete criminal court record of all arrests and subsequent dispositions for the past ten years of such applicant and any other person having a proprietary or profit interest therein; and in the case of corporations, clubs and associations, of each officer and/or member of the board of directors of such corporation, club, or association. Minor vehicular offenses may be omitted; however, driving while under the influence and reckless driving cases shall be disclosed. In giving such information, there shall be included the name of the court(s) and the disposition of each matter.

(c) In the case of applications by corporations, clubs, and associations, the person(s) making such application shall certify to the correctness, truthfulness and completeness of the application and shall provide the ABC Board with their authority to proffer such application.

(d) An agreement by invitation from the licensee, allowing duly authorized agents of the ABC Board or other duly commissioned law enforcement officers of the state, county, or municipality in which the licensed establishment is located, to enter and search, without a warrant, the licensed premises or any building owned or occupied by the licensee in connection therewith, adjoining, adjacent to, or part of the curtilage thereof, whether used as a private dwelling or not, at any time.

(e) Evidence of primary source of funds, whether owned or borrowed, to be applied in the establishment or acquisition of the business.

(f) Evidence of ownership or lease of the real property where the licensee's business will be located, as follows:

1. If applicant owns property, a copy of the recorded deed as evidence of ownership.

2. If applicant has a contract to purchase property, a copy of the recorded sales contract.

3. If applicant is leasing the property, a copy of the lease agreement, including information regarding:

(i) Lessor's primary business;

(ii) Lessor's involvement in any way with the alcoholic beverage business; and

(iii) Any further interest in or connection with the licensee's business by the lessor.

(g) Such other information as may, at their discretion, be requested by the ABC Board or agents thereof.

(2) In the event any false, incorrect, or incomplete information or statements are found on an application for a license, the license is subject to denial, revocation, or other disciplinary action by the ABC Board, at its discretion, and no waiver, estoppel, or laches will run against the State of Alabama, or the ABC Board, in connection with any false, incorrect, or incomplete information or statements made by an applicant on an application.

(3) It shall be the prerogative of the ABC Board as part of the license application procedure to verify the truthfulness and veracity of all information contained within a license application. Verification may include, but not be limited to, personal interviews and community comment, as well as criminal background information analysis through the Alabama Criminal Justice Information Center (ACJIC).

(4) Any social security number disclosed under this regulation shall be used for the purpose of investigation or verification by the ABC Board and shall not be a matter of public record.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-3(b).

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.02 ABC Board License Application Procedure.

(1) On initial contact by an applicant, the enforcement agent will collect the filing fee and may assist in filling out the application, retaining the original and giving the applicant a copy upon request. Responsibility for the truth and veracity of all information provided by the applicant, shall in all cases, remain with the applicant.

(2) The application will be forwarded to the appropriate local governmental authority for processing. The local authority, after processing the application, will return

the application to the local ABC Board agent, who will thereafter, when appropriate, conduct a neighborhood survey and physical survey of the premises.

(3) The ABC Board agent upon receiving the application from the local authority will collect the appropriate license fee from the applicant. Within five (5) business days of receiving the appropriate licensee fee from the applicant, the agent shall mail or deliver same to the district office together with the filing fee. The district office shall, within two (2) working days of receipt thereof, mail or deliver the completed and verified application, along with the filing fee and appropriate license fee, to the Montgomery office.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-3(b).

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.03 Club Liquor Retail License.

(1) All membership applications shall contain at least the following:

- (a) Applicant's name and date of birth.
- (b) Home address and telephone number.
- (c) Occupation and place of employment.

(2) An applicant's true identity shall be verified by the club by use of any of the following:

- (a) A valid driver's license of any state.
- (b) A valid United States Uniformed Service Identification.
- (c) A valid passport.
- (d) A valid identification issued by any agency of a state for the purpose of identification, bearing a photograph and date of birth of the individual in question.

(3) Upon filing by an applicant of a bona fide membership application, a club may, at its discretion, issue a temporary membership card which will allow the applicant to use the facilities of the club until the application is processed. A

temporary membership card shall only be valid for a maximum of thirty calendar days from date of issue. An applicant may receive only one temporary membership card per year, per club.

(4) A complete club membership record shall be maintained, showing the date of application of all proposed members, the date of admission after election, the date initiation fees and dues are paid and the amounts paid. The record shall also reflect the name of the applicant's sponsor and other remarks deemed desirable. This record shall be either on a standard form or, preferably, a card index or a computer disk, showing the name of the member, the address of the member and the serial number of the membership card issued. Dues shall be accumulated and posted to the proper column in the income records. A separate form or card shall be prepared for each member, and when members are removed or resign, their cards shall be removed from the active file and placed in an inactive file for a period of two years.

(5) Only a permanent club member may bring bona fide guests on the premises of the club at any time. The presence of a non-member (other than a club employee, a person making a sale or delivery to the club, or other individual similarly present solely in connection with the provision of services or materials to or for the club) on the premises of the club, who is not a bona fide guest of a permanent club member shall be a violation of this regulation.

(6) A bona fide guest is deemed to be a person who has a social, civic, business, or charitable relationship with their host, and shall not include persons whose primary purpose in attendance is for the pecuniary benefit of the club. The bona fide guest's host member shall not be an employee of the club then on duty.

(7) Upon initial application for a Class I Club Liquor Retail License and with each renewal thereafter, the applicant shall present to the ABC Board as part of the application process, good and sufficient evidence that the applicant is a bona fide non-profit organization and exists solely for the objects set forth in Section 28-3-1(7)(a)(b), Code of Ala. 1975.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-1(7)(a); 28-3-43; 28-3-49; 28-3A-3(b).

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998. **Amended:** Filed May 2, 2001; effective June 6, 2001.

20-X-5-.04 Lounge Retail Liquor License.

(1) A Lounge Retail Liquor License may be issued to any person, partnership, association, or corporation duly authorized to do business in the State of Alabama once all state and local requirements are met and approval is granted.

(2) There shall be two classes of Lounge Retail Liquor Licenses.

(a) Class I will permit the licensee to sell alcoholic beverages for on-premises and off-premises consumption. All sales for off-premises consumption shall be in original unopened containers.

(b) Class II will permit the licensee to sell alcoholic beverages only for off-premises consumption in the original unopened containers and shall comply with the requirements of 20-X-5-.13.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-23.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.05 Restaurant Retail Liquor License

(1) Restaurant Retail Liquor licenses shall be issued only to reputable persons for locations which are "habitually and principally" used for the purpose of preparing and serving meals for the public to consume on the licensed premises during normal and reasonable dining hours. Only those locations whose customary and primary business is preparing and serving meals to the public will be issued a Restaurant Retail Liquor license.

(2) Restaurant Retail Liquor license applicants shall comply with all pertinent and related requirements of state, county, and where applicable, municipal health departments prior to licensing and shall remain in compliance thereafter for as long as said license shall remain valid.

(3) All Restaurant Retail Liquor licensees shall have a fully equipped and operational kitchen on the licensed premises. The licensee shall maintain and operate said kitchen and shall, upon order of a customer, prepare and serve all food items shown on its menu during normal and reasonable dining

hours. Exceptions shall be made where there is a known and provable shortage or temporary unavailable supply of a food item.

(4) Any applicant or licensee shall, upon request, provide to the ABC Board, any records, books, ledgers, menus, receipts, or other documentation necessary to demonstrate compliance with this regulation.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-1(22); 28-3-49; 28-3A-13.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.06 **Package Sales.** Lounge Retail Liquor licensees and Club Liquor Retail licensees are authorized to sell alcoholic beverages for off-premises consumption only in original unopened containers.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-11; 28-3A-12.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.07 **Separate Facilities/Adjoining Facilities - Licenses Required.**

(1) Any person applying for a license or operating a place of business pursuant to a license issued by the ABC Board, whose place of business has openings on different streets, or more than one opening on the same street, and which entrances lead into two separate rooms or into rooms which have no connecting passages or doors ordinarily used by patrons, shall be responsible for the procurement of two ABC Board licenses if alcoholic beverages are sold in both parts of the separate facilities.

(2) It is not the intent of this regulation to require two licenses when the two entrances lead into one dining room or more than one dining room under the same management, if all areas are connected by passages or doors ordinarily used by patrons who are customarily served from the same stock of alcoholic beverages (when all other requirements of Alabama law are met).

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-23(e).

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.08 Renewal Of Alcoholic Beverage License.

(1) A renewal application for an alcoholic beverage license must be filed with the ABC Board on or before August 1 of each year. No renewal application will be accepted unless accompanied by the appropriate state and county license fees.

(2) Any alcoholic beverage license may be renewed without penalty during the following fiscal year between October 1 and October 20 and may continue to be renewed after October 20 of such license year by payment of appropriate state and county licensing and filing fees and a penalty of 50% thereof. If a license is not renewed before midnight September 30 of the succeeding license year, the license shall terminate with no privilege of renewal. Thereafter, a new application must be made and a new license issued before continuation of the business.

(3) When an original alcoholic beverage license is issued after August 1 of a license year, a renewal application shall be filed simultaneously with the issuance of the original license.

(4) No retail or wholesale alcoholic beverage licensee may purchase, receive, store, ship, sell or give away any alcoholic beverage(s) or enjoy any of the rights and privileges of said license after midnight of September 30 of any year unless the license shall have been properly renewed prior thereto. No manufacturer or importer alcoholic beverage licensee may purchase, receive, store, ship, sell or give away any alcoholic beverage(s) or enjoy any of the rights and privileges of said license after midnight of December 31 of any year unless the license shall have been properly renewed prior thereto.

(5) Objections and protests concerning alcoholic beverage licenses shall be submitted to the ABC Board within a reasonable time prior to August 1, sufficient for the ABC Board to process the protests and to notify the licensee within the prescribed time period. Interested parties which may lodge license objections or protests include, but are not limited to: state, county and municipal governmental agencies.

(6) The ABC Board may exercise broad discretion in granting, denying or renewing any license.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-5.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.09 Change Of Ownership, Management Or Name Of Licensed Establishments.

(1) ABC Board licenses shall be deemed to expire, terminate, or otherwise be void when there is a substantial change of ownership in the licensed business; when a licensed business is leased, rented or abandoned, or when possession is otherwise surrendered to another party or parties. However, a license may be transferred as provided by statutes and these regulations. A license issued to a corporation does not terminate by transfer of ownership of its stock, and no transfer of license is required even with a complete change in ownership of the capital stock of a corporate licensee, although the provisions of section (4), below, do apply.

(2) Upon the death of an individual licensee, sale of the licensed business, temporary closing of the licensed business, or other interruption in the operation of a licensed business, the license shall immediately be delivered to the local ABC Board field office, to be held pending the reopening of said business according to these regulations. However, where there is a surviving partner in a partnership entity possessing a license, or a surviving spouse of a deceased licensee, such survivor may complete the current license year operating as a licensee, having the same rights and responsibilities as the named licensee, without obtaining a new license, provided: (a) the survivor notifies the ABC Board in writing within twenty (20) days after the death of the licensee, and (b) the survivor is otherwise qualified to hold a license. A surviving spouse or partner must complete a new application in his/her own name and receive local and state approval prior to operation the next license year.

(3) When a licensed corporation elects new officers or directors, said corporation shall notify the ABC Board in writing within twenty (20) days thereafter. This letter shall contain the names, positions, social security numbers, places of birth, dates of birth, home addresses and how long the newly-elected officials have lived at said addresses. Social security numbers shall be disclosed for investigative purposes only. No person shall serve as a director or officer, of a licensed corporation who is otherwise unqualified to obtain an original license in their own name. This section shall not apply to corporations

whose shares are customarily and regularly traded or sold on recognized stock exchanges.

(4) When ownership of 20% or more of a corporation's shares is transferred or there accrues a 20% transfer of shares since the licensing year began, a corporation shall notify the ABC Board in writing within twenty (20) days thereafter. The letter shall contain the name of the person(s) to whom the stock was transferred, social security number, place of birth, date of birth, home address, how long the stock transferee has lived at that address and what quantity of shares was transferred. The licensee's social security number shall not be disclosed for public record. No person shall own shares through transfer or accrual in a licensed corporation who is otherwise unqualified to obtain an original license in their own name. The ABC Board Hearing Commission shall have discretion in determining the qualifications of any transferee of stock shares, and may in its discretion, suspend the corporation's license during the period of time that the unqualified shareholder retains ownership of said shares. This section shall not apply to corporations whose shares are customarily and regularly traded or sold on recognized stock exchanges.

(5) When a non-corporate licensee has a change of ownership effecting 20% or more thereof, the licensee shall notify the ABC Board in writing within twenty (20) days thereafter, and a transfer application shall be submitted by the new entity created by such change of ownership. No person shall become the owner or otherwise be interested in the operation of a non-corporate licensed premise who is otherwise unqualified to obtain an original license in their own name.

(6) Additional information concerning licensed businesses shall be submitted when requested by the ABC Board.

(7) In the event an ABC Board licensee changes its trade name during a license year, the licensee must notify the ABC Board within 20 days of such change.

(8) Any social security number disclosed under this regulation shall be used for the purpose of investigation or verification by the ABC Board and shall not be a matter of public record.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-23.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998. **Amended:** Filed May 2, 2001; effective June 6, 2001.

20-X-5-.10 License Transfer.

(1) Any alcoholic beverage license may be transferred once in any license year from one location to another, within the same governing jurisdiction, upon approval by the ABC Board. Any alcoholic beverage license may also be transferred once in any license year from one licensee to another person, corporation or association for that particular location, upon approval by the ABC Board.

(2) Before a license may be transferred from one licensee to another person, a transferee must:

(a) Be qualified to receive an original license.

(b) Pay a non-refundable filing fee of \$50.00 to the ABC Board.

(c) File a transfer application, as if applying for an original license, within twenty (20) days after the transferee assumes control of the licensed premises; if alcoholic beverages are possessed or sold at said location, the original licensee shall continue to be responsible for the conduct and operation of this aspect of the business until the ABC Board approves said transfer and issues the appropriate license.

(d) Complete the transfer application process and secure any necessary local governing authority approval, within sixty (60) days after notification to the ABC Board of said intention to transfer.

(3) Upon failure of a transferee to submit a completed application in a timely manner as provided herein, the transfer application will be deemed void and the original licensee shall either resume control and operation of the licensed premises within five days thereafter or the license shall then be void.

(4) It shall be the responsibility of a transferor to remain apprised of all activity associated with a transfer application.

(5) A license shall not be transferred if:

(a) The ABC Board has denied or refused to renew a license to the transferee, if said action was based in part on the transferee's qualifications, conduct, or fault within the last five (5) calendar years.

(b) The ABC Board has suspended any license held by the transferee, or imposed fines against the transferee in a cumulative amount of \$1,000.00 or more, within the last three (3) calendar years.

(c) A transferor or transferee is the subject of:

(i) A pending criminal action,

(ii) A pending disciplinary action, or

(iii) A license renewal protest before the ABC Board or any court of competent jurisdiction.

(d) A third party has made application for a license at the proposed location for which the transfer is sought and which is still pending.

(e) Taxes, fines, or license fees are currently due and payable on the transferor's license.

(f) Prior to approval of the transfer, the transferor withdraws consent to transfer or fails to timely renew the license.

(6) An application for a location transfer will not be accepted if there is pending, an existing application for an ownership transfer, nor will an application for an ownership transfer be accepted if there is pending an existing application for a location transfer.

(7) The ABC Board may exercise its broad discretion in granting or denying any license transfer application.

(8) For purposes of this regulation, the term ABC Board shall include the ABC Board Hearing Commission.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-23(j) (k).

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.11 Suspension Or Revocation Of License.

(1) Upon suspension or revocation of a license and during the interim between the date on which notice of final adjudication of suspension or revocation is given to the licensee

and the effective ending date of such suspension or revocation, the licensee is prohibited from purchasing alcoholic beverages under said license.

(2) During a period of suspension, no new or different license will be issued to any other applicant for the same location or in the same business name, as that of the suspended licensee; provided, however, this section is not intended to prohibit innocent landlords or lessors from exercising contractual rights under a rental agreement or a written lease in the event of default by a tenant or lessee.

(3) Immediately following a final adjudicated decision on the question of suspension or revocation, a notice thereof shall be mailed to all appropriate peace officers in the county where the affected license is located. Notice shall also be mailed to all wholesale licensees operating in the territory of the affected license.

(4) During a period of suspension, no alcoholic beverages may be possessed on the licensed premises, nor may a licensee permit others to bring, possess, or consume alcoholic beverages on the licensed premises during such period.

(5) Upon the effective date of a suspension or revocation, merchandisable alcoholic beverages legally purchased by the licensee may be purchased by the ABC Board at 80% of the current ABC Board list price or the Board may approve the sale of such alcoholic beverages to another licensee of the ABC Board. Any other sale of such alcoholic beverages is prohibited.

(6) During the period of suspension or revocation of an ABC Board license, the licensee shall post a sign, supplied by the ABC Board, on the licensed premises stating that their license has been suspended or revoked. The sign for a suspended license shall read: "The privilege of selling alcoholic beverages for these premises has been suspended by the Alabama Alcoholic Beverage Control Board from (Date) to (Date)." The sign for a revoked license shall read: "The Alabama Alcoholic Beverage Control Board License Has Been Revoked for These Premises from (Date) to (Date)." This sign shall be displayed in a conspicuous location in or on a front window or door and shall be readily visible from outside the premises.

(7) Within ten days from the beginning of any period of revocation, a compliance inspection of the premises by agents of the ABC Board shall be allowed, to ensure the removal of alcoholic beverages from the premises if said premises is open for business to the general public, members or guests during the period of suspension or revocation. Failure to permit said

inspection shall disqualify any last previous licensee from reapplying for any new license for a period of six months after the revocation is completed.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-24(a) (b) (d).

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.12 **Special Events Retail License And Special Retail**

License. A Special Events Retail license may be issued only after all the requirements of Section 28-3A-20, Code of Ala. 1975, have been met and only for a special event. A Special Retail license may be issued only after all the requirements of Section 28-3A-19, Code of Ala. 1975, have been met. A Special Retail license will not be issued for an occurrence that is in essence, a special event.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-49; 28-3A-19; 28-3A-20.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.13 **Regulation Of Licensees Operating As "Package Stores"**.

(1) In addition to all other requirements of law or rules and regulations of the ABC Board, all private club licensees and all lounge retail liquor licensees which operate their licensed premises primarily for the off-premises sale of alcoholic beverages shall comply with the following conditions:

(a) The licensee shall have a minimum of 500 square feet of floor space for the display and sales of alcoholic beverages. The square footage herein required shall not include areas of the licensed premises which are not open to the patrons or general membership of the licensee and/or which are used for office space, storage or restroom facilities.

(b) Notwithstanding the provisions of 20-X-7-.04 or any other provisions contained herein to the contrary, the licensee is authorized to sell only snack and delicatessen items, cheeses, beverage containers, tobacco products, ice, fruit juices and mixers. The licensee shall not sell general grocery items, novelties, clothing or any other items of general merchandise.

(c) Any interior door, window or passageway which opens or may be opened into an adjoining building may be used only by the licensee and its employees. Such interior openings must be unavailable to the patrons or customers of the licensee and such passageways must be clearly marked "employees only."

(d) The licensee shall at all times have in its possession a physical inventory of liquor and/or wine having a minimum wholesale cost of \$5000.00. The inventory of liquor and/or wine must have been produced by at least two distilleries and two wineries.

(e) The licensee shall not advertise or identify its premises, prices or location by the use of flashing or blinking signs.

(f) Any licensee whose license was issued prior to September 30, 1985, shall be exempt from conditions set forth in paragraph 1(a). No transfer of any license hereby exempted from 1(a) shall be permitted unless and until the premises are brought into compliance with same.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §28-3-49.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998.

20-X-5-.14 **Requirements Of Financial Responsibility By Licensees.**

(1) All retail licensees of the ABC Board shall maintain, at all times, liquor liability (dram shop) insurance described below and shall comply with the following conditions of requirements of Financial Responsibility.

(a) Prior to the issuance or renewal of any retail alcoholic beverage license, each applicant must provide the ABC Board with sufficient information that it has liquor liability (dram shop) insurance coverage in the amount of at least one hundred thousand dollars (\$100,000.00) per occurrence, exclusive of, and separate from, any attorney fees or other costs incurred in the defense of any claim asserted against the insured.

(b) This information may be provided as follows:

1. A certificate of liability insurance from a reputable insurance company showing that the applicant has liquor

liability (dram shop) insurance of at least one hundred thousand dollars (\$100,000.00) for each occurrence, that the certificate is for liability coverage only exclusive of, and separate from, any attorney fees or other costs incurred in the defense of any claim asserted against the insured and that coverage is valid for the license year for which the application is being submitted; or

2. Other method as may be required by the ABC Board.

(c) A certificate of liability insurance also will show that the insurer will advise the Alabama ABC Board immediately in the event the policy is cancelled before the expiration date thereof.

(2) It shall be unlawful to represent to the ABC Board or to any other person that current insurance coverage exists when the policy has been cancelled or otherwise is not in force for any reason.

(a) A copy of a certificate of liability insurance showing the current coverage shall be retained on the licensed premises and readily available for inspection by agents of the Board or other law enforcement officers.

(b) The Board may verify the liability insurance coverage of any licensee at any time.

(3) No application for a new retail license or the renewal of an existing retail license shall be approved unless the application shows affirmatively that the requirements contained herein are met. Failure to comply with the requirements contained herein shall be cause for suspension or revocation of the license.

(4) A retail licensee shall notify the ABC Board immediately at any time that its liquor liability insurance is canceled.

(5) In the event of cancellation, termination or other invalidation of its liquor liability insurance, the licensee must comply with the requirement of this Financial Responsibility regulation within fifteen (15) days from the date of such cancellation, termination or other invalidation. After the fifteenth day, if the licensee has not complied, the subject license shall be suspended immediately. Any license which has been suspended for failure to abide by this regulation shall not be reinstated until compliance with Section 1 is met.

(6) A licensee may be cited administratively for violation of this regulation if proper insurance coverage is not maintained.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §§28-3-2; 28-3-49.

History: Repealed and New: Filed August 21, 1998; effective October 16, 1998. **Amended:** Filed January 13, 2010; effective February 17, 2010.

20-X- 5-.15 Permits For Off-Site Tasting Rooms For In State Wine Manufacturers And A Winery Association.

(1) Application for a permit.

(a) An application for a permit shall be in a form prescribed by the Board. Each applicant shall sign and swear to the application.

(b) Only one permit for one off-site tasting room shall be issued to a licensed manufacturer per license year.

(c) Once issued a permit shall be valid for the balance of the license year unless surrendered, suspended or revoked.

(2) Requirements.

(a) To be eligible to receive and hold a permit, an applicant must already hold a valid manufacturer license.

(b) The permitted premises shall be regarded the same as a licensed premises.

(c) Evidence of ownership or a lease for the real property where the applicant's off-site tasting room will be located.

(d) Any other information as may, at their discretion, be requested by the Board.

(3) Factors to Fulfill before Issuance of a Permit. Before issuing a permit the Board shall be satisfied that the applicant is a suitable person to hold an ABC permit and that the location is suitable for a tasting room. The location shall:

(a) Have been awarded approval from the local governing body.

(b) Meet all the requirements for on-premises licensees enumerated in Rule 20-X-6-.02.

(c) The off-site tasting room shall be limited to only one building or one premises within one building.

(4) Requirements of Financial Responsibility of a Permit Holder. All permit holders shall maintain liquor liability insurance as prescribed by Rule 20-X-5-.14. Coverage shall specifically include the off-site tasting room location.

(5) Regulation of Off-Site Tasting Rooms. In addition to all other requirements of law or rules and regulations of the ABC Board, all off-site tasting rooms shall comply with the following conditions:

(a) No one under 21 years of age may dispense or serve alcohol.

(b) All service for on-premise consumption shall be conducted by servers. No self-service permitted.

(c) All sales and consumptions must take place inside the licensed premise.

(d) Only products manufactured at the winery's primary premises may be sold at the off-site tasting room.

(e) Only products that have previously been approved for sale in the State may be sold or given away on the permitted premises.

(f) Records from wine sales and tastings shall be maintained at the permitted premises for three years. A duplicate record shall be maintained at the primary winery premises.

(6) The winery association shall verify yearly that it represents a majority of the in-state wineries.

(7) The board may, itself initiate, investigate and, if appropriate, disapprove and prohibit the continued tastings of any permitted site found to be operating in violation with the rules.

Author: ABC Board

Statutory Authority: Code of Ala. 1975, §28-3-49.

History: New Rule: Filed October 13, 2016; effective November 27, 2016.