

1 SB343
2 175214-1
3 By Senator Holtzclaw
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 10-MAR-16

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8 SYNOPSIS: Under existing law, a licensed distributor
9 or wholesaler of alcoholic beverages or an officer
10 or director of a distributor or wholesaler of
11 alcoholic beverages may not simultaneously be a
12 licensed manufacturer or retailer of alcoholic
13 beverages or be the owner, proprietor, or lessor of
14 a place covered by a separate beer or liquor
15 license.

16 This bill would allow a family member of a
17 licensed distributor or wholesaler of alcoholic
18 beverages or a family member of an officer or
19 director thereof to be a licensed manufacturer or
20 retailer of alcoholic beverages or be the owner,
21 proprietor, or lessor of a place covered by a
22 separate beer or liquor license if the family
23 member has reached the age of majority and is not
24 an officer, director, employee, or stockholder of
25 the distributor or wholesaler.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

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4 Relating to alcoholic beverages; to amend Section
5 28-3-4, Code of Alabama 1975, to allow a family member of a
6 distributor or wholesaler of alcoholic beverages or a family
7 member of an officer or director thereof to be a licensed
8 manufacturer or retailer of alcoholic beverages or be the
9 owner, proprietor, or lessor of a place covered by a separate
10 beer or liquor license on specified conditions.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 28-3-4, Code of Alabama 1975, is
13 amended to read as follows:

14 "§28-3-4.

15 "(a) No manufacturer and no officer or director of
16 any manufacturer shall at the same time be a distributor,
17 wholesaler or retail dispenser or an officer, director or
18 stockholder or creditor of any distributor, wholesaler or
19 retail dispenser, nor, except as provided in this section, be
20 the owner, proprietor or lessor of any place covered directly
21 or indirectly by any distributor's or wholesaler's malt or
22 brewed beverage liquor license.

23 "(b) ~~No~~ Except as otherwise provided in subsection
24 (h), no distributor or wholesaler and no officer or director
25 of any distributor or wholesaler shall at the same time be a
26 manufacturer or retailer or be an officer, director,
27 stockholder, or creditor of a manufacturer or retailer or be

1 the owner, proprietor, or lessor of any place covered by any
2 other malt or brewed beverage or liquor license.

3 "(c) No licensee licensed under this chapter shall
4 directly or indirectly own any stock of, or have any financial
5 interest in, any other class of business licensed under this
6 chapter.

7 "(d) Except as provided in this section, no
8 manufacturer, wholesaler or distributor shall in any wise be
9 interested, either directly or indirectly, in the ownership or
10 leasehold of any property or in any mortgage against the same
11 for which a liquor or retail dispensers' license is granted,
12 nor shall a manufacturer, wholesaler or distributor, either
13 directly or indirectly, lend any moneys, credit or equivalent
14 thereof to any retailer in equipping, fitting out or
15 maintaining and conducting, either in whole or in part, an
16 establishment or business operated under a liquor retail
17 dispensers' license, excepting only the usual and customary
18 credits allowed for returning packages or containers in which
19 malt or brewed beverages were packed for market by the
20 manufacturer.

21 "(e) Except as provided in this section no
22 manufacturer shall in any wise be interested, directly or
23 indirectly, in the ownership or leasehold of any property or
24 any mortgage lien against the same, for which a distributor's
25 or wholesaler's license is granted nor shall a manufacturer,
26 either directly or indirectly, lend any moneys, credit or
27 their equivalent to any distributor or wholesaler in

1 equipping, fitting out or maintaining and conducting, either
2 in whole or in part, an establishment or business where malt
3 or brewed beverages are licensed for sale by a distributor or
4 wholesaler, excepting only the usual credits allowed for the
5 return of packages or containers in which malt or brewed
6 beverages were originally packed for the market by the
7 manufacturer.

8 "(f) No distributor, wholesaler or retail dispenser
9 shall in any wise, either directly or indirectly, receive any
10 credit, loan, moneys or the equivalent thereof from any other
11 licensee or from or through a subsidiary or affiliate of
12 another licensee or from any firm, association or corporation,
13 except a banking institution, in which another licensee or any
14 officer, director or firm member of another licensee has a
15 substantial interest or exercises a control of its business
16 policy for equipping, fitting out, payment of license fee or
17 maintaining and conducting, either in whole or in part, an
18 establishment or business operated under a distributor's,
19 wholesaler's or retail dispenser's license, excepting only the
20 usual and customary credits allowed for the return of packages
21 or containers in which malt or brewed beverages were packed
22 for the market by the manufacturer.

23 "(g) The purpose of this section is to require a
24 separation of the financial and business interest between the
25 various classes of business regulated by this chapter, and no
26 person or corporation shall by any device whatsoever directly
27 or indirectly, evade the provisions of this section.

1 "(h) It is not a violation of subsection (b) for a
2 family member of a distributor or wholesaler or a family
3 member of an officer or director of a distributor or
4 wholesaler to engage in the conduct described in subsection
5 (b), provided the family member has reached the age of
6 majority and is not an officer, director, employee, or
7 stockholder of the distributor or wholesaler."

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