

1 **SENATE FLOOR VERSION**

2 April 12, 2017

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL NO. 1302

By: Murdock of the House

and

Bice of the Senate

7  
8  
9 COMMITTEE SUBSTITUTE

10 [ alcoholic beverages - alcoholic beverage licensing  
11 - repealer - codification - ~~effective dates~~  
emergency ]

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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 537.4 of Title 37, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. As used in this section, "powdered alcohol" means alcohol  
19 prepared or sold in a powder form for either direct use or  
20 reconstitution.

21 B. It is unlawful for any person or licensee to use, offer for  
22 use, purchase, offer to purchase, sell, offer to sell or possess  
23 powdered alcohol.

1 C. It is unlawful for a holder of a license pursuant to the  
2 provisions of Title 37 of the Oklahoma Statutes for on-premises or  
3 off-premises consumption of intoxicating beverages or low-point beer  
4 to use powdered alcohol as an alcoholic beverage.

5 D. Any person or license holder that violates this section is  
6 guilty of a misdemeanor and shall be punished as follows:

7 1. For a first offense, by a fine of not more than Three  
8 Hundred Dollars (\$300.00) or by imprisonment for not more than  
9 thirty (30) days or by both;

10 2. For a second offense, by a fine of not more than Seven  
11 Hundred Fifty Dollars (\$750.00) or by imprisonment for not more than  
12 six (6) months or by both; or

13 3. For a third or subsequent offense, by a fine of not more  
14 than Three Thousand Dollars (\$3,000.00) or by imprisonment for not  
15 more than two (2) years or by both.

16 SECTION 2. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 6-129 of Title 37A, unless there  
18 is created a duplication in numbering, reads as follows:

19 A. As used in this section, "powdered alcohol" means alcohol  
20 prepared or sold in a powder form for either direct use or  
21 reconstitution.

22 B. It is unlawful for any person or licensee to use, offer for  
23 use, purchase, offer to purchase, sell, offer to sell or possess  
24 powdered alcohol.

1 C. It is unlawful for a holder of a license pursuant to the  
2 provisions of Title 37A of the Oklahoma Statutes for on-premises or  
3 off-premises consumption of alcoholic beverages to use powdered  
4 alcohol as an alcoholic beverage.

5 D. Any person or license holder that violates this section is  
6 guilty of a misdemeanor and shall be punished as follows:

7 1. For a first offense, by a fine of not more than Three  
8 Hundred Dollars (\$300.00) or by imprisonment for not more than  
9 thirty (30) days or by both;

10 2. For a second offense, by a fine of not more than Seven  
11 Hundred Fifty Dollars (\$750.00) or by imprisonment for not more than  
12 six (6) months or by both; or

13 3. For a third or subsequent offense, by a fine of not more  
14 than Three Thousand Dollars (\$3,000.00) or by imprisonment for not  
15 more than two (2) years or by both.

16 SECTION 3. AMENDATORY Section 27, Chapter 366, O.S.L.  
17 2016 (37A O.S. Supp. 2016, Section 2-115), is amended to read as  
18 follows:

19 Section 2-115. A. A special event license may be issued to an  
20 organization, association or nonprofit corporation organized for  
21 political, fraternal, charitable, religious or social purposes. The  
22 holder of a special event license is authorized to sell and  
23 distribute alcoholic beverage on the premises for which the license  
24 is issued.

1 B. The ABLE Commission shall promulgate rules governing the  
2 application for and the issuance of special event licenses.

3 C. The restrictions and rules which apply to the sale of mixed  
4 beverages on the premises of a mixed beverage licensee also apply to  
5 the sale of such beverages under the authority of a special event  
6 license. Any act which if done on the premises of a mixed beverage  
7 licensee would be a ground for revocation or suspension of the mixed  
8 beverage license is a ground for revocation or suspension of a  
9 special event license.

10 D. No special event license may be issued for any premises  
11 already licensed by the ABLE Commission.

12 E. No special event license shall be required for an  
13 organization, association or nonprofit corporation whose purpose is  
14 to promote the common interest of economic development and business  
15 growth within a community, provided the event is not conducted  
16 primarily for fundraising purposes, and provided the services of a  
17 licensed caterer are used to provide and distribute the alcoholic  
18 beverages at the event.

19 SECTION 4. AMENDATORY Section 41, Chapter 366, O.S.L.  
20 2016 (37A O.S. Supp. 2016, Section 2-129), is amended to read as  
21 follows:

22 Section 2-129. A. A charitable auction or charitable alcoholic  
23 beverage event license may be issued to a charitable organization  
24 exempt from taxation under Section 501(c)(3), (4), (5), (6), (7),

1 (8), (9), (10) or (19) of the United States Internal Revenue Code.  
2 The charitable alcoholic beverage event license shall authorize the  
3 holder thereof to conduct a wine, spirit and/or beer event which may  
4 consist of one or more of a wine, spirit and/or beer-tasting event,  
5 a wine, spirit and/or beer dinner event or a wine, spirit and/or  
6 beer auction, which may be either a live auction conducted by an  
7 auctioneer or a silent auction for which:

8 1. Bid sheets are accepted from interested bidders at the  
9 event;

10 2. The holders of tickets are allowed to bid online for a  
11 period not exceeding thirty (30) days prior to the event; or

12 3. Both bid sheets are accepted at the event and online bids  
13 are accepted pursuant to paragraph 2 of this subsection.

14 B. A charitable alcoholic beverage event shall be conducted  
15 solely to raise funds for charitable purposes. A charitable  
16 alcoholic beverage license shall allow the event attendees access to  
17 tastings, samples, dinners and alcoholic beverages as parts of their  
18 entrance fee or ticket price. Wine, spirits and/or beer used in,  
19 served or consumed at a charitable alcoholic beverage event may be  
20 purchased by the charitable organization or donated by any person or  
21 entity.

22 C. The charitable alcoholic beverage event license shall be  
23 issued for a period not exceeding four (4) days. Only eight such  
24 licenses may be issued to an organization in any twelve-month

1 period. The charitable organization holding a charitable alcoholic  
2 beverage event license shall not be required to obtain a special  
3 event license.

4 D. Charitable auction and charitable alcoholic beverage event  
5 license holders may also utilize a licensed caterer to provide  
6 additional alcohol services at the event and on the premises.

7 E. The charitable auction license shall authorize the holder  
8 thereof to auction wine, spirits and/or beer purchased from a retail  
9 package store or received as a gift from an individual if the  
10 auction is conducted to raise funds for charitable purposes. The  
11 charitable auction license shall be issued for a period not to  
12 exceed two (2) days. Only four such licenses shall be issued to an  
13 organization in any twelve-month period. The maximum amount of  
14 wine, spirits and/or beer auctioned pursuant to the charitable  
15 auction license shall not exceed fifty (50) gallons. All wines,  
16 beer and spirits auctioned pursuant to the charitable auction  
17 license shall be registered and all fees and taxes shall be paid in  
18 accordance with the Oklahoma Alcoholic Beverage Control Act.

19 F. No charitable alcoholic beverage event license shall be  
20 required for an organization, association or nonprofit corporation  
21 whose purpose is to promote the common interest of economic  
22 development and business growth within a community, provided the  
23 event is not conducted primarily for fundraising purposes, and  
24

1 provided the services of a licensed caterer are used to provide and  
2 distribute the alcoholic beverages at the event.

3 SECTION 5. REPEALER Section 1 of this act shall be  
4 repealed October 1, 2018.

5 ~~SECTION 6. Section 1 of this act shall become effective July 1,~~  
6 ~~2017.~~

7 SECTION 7. Sections 2, 3 and 4 of this act shall become  
8 effective October 1, 2018.

9 ~~SECTION 8. It being immediately necessary for the preservation~~  
10 ~~of the public peace, health or safety, an emergency is hereby~~  
11 ~~declared to exist, by reason whereof this act shall take effect and~~  
12 ~~be in full force from and after its passage and approval.~~

13 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM  
14 April 12, 2017 - DO PASS AS AMENDED

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