

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 HOUSE BILL 2624

 By: Echols

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6
7 AS INTRODUCED

8 An Act relating to alcoholic beverages; creating a
9 complimentary beverage license; setting license
10 period and renewable basis; providing qualifications;
11 providing exceptions to qualifications; providing
12 prohibitions; authorizing actions of certain other
13 licensees on a complimentary beverage licensee's
14 premises; amending Section 13, Chapter 366, O.S.L.
15 2016, as last amended by Section 2, Chapter 312,
16 O.S.L. 2018 (37A O.S. Supp. 2018, Section 2-101),
17 which relates to license fees and surcharges;
18 establishing complimentary beverage license fee and
19 surcharge; providing for codification; providing an
20 effective date; and declaring an emergency.

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

22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 2-159 of Title 37A, unless there
24 is created a duplication in numbering, reads as follows:

 A. A complimentary beverage license shall authorize the holder
 thereof to provide, free of charge for on-premises consumption only,
 no more than two alcoholic beverages containing spirits, twelve (12)

1 ounces of wine or twenty-four (24) ounces of beer per day, to a
2 guest or client who is twenty-one (21) years of age or older.

3 B. A complimentary beverage license is an annual license and
4 renewable on an annual basis.

5 C. A complimentary beverage license shall only be issued to a
6 business located in a building or structure that has a permanent
7 physical address. However, a Chamber of Commerce, Main Street,
8 Economic Development Authority, Vocational Trade School, Higher
9 Education Institution or similar organization promoting economic
10 development shall be exempt from the permanent location requirement
11 and permitted to utilize the license at other locations within the
12 city in which they are located or on their campus for member
13 recruitment, education and development of new business functions.

14 D. A complimentary beverage license shall only be issued to a
15 business which involves retail sales or provides services to its
16 clients including, but not limited to, furniture stores, art
17 studios, nail salons, hair salons, cigar stores, clothing stores,
18 bridal shops or business support services. A Chamber of Commerce,
19 Main Street, Economic Development Authority, Vocational Trade
20 School, Higher Education Institution or similar organization
21 promoting economic development or an organization that is exempt
22 from taxation pursuant to the provisions of Section 501(c) of the
23 Internal Revenue Code, 26 U.S.C., shall also qualify for a
24 complimentary beverage license.

1 E. Except for event licenses, a complimentary beverage license
2 shall not be issued to a business which possesses any other license
3 issued by the Alcoholic Beverage Laws Enforcement (ABLE) Commission.

4 F. A business whose patronage is primarily persons under the
5 age of eighteen (18), is a restaurant or is a business that provides
6 adult entertainment shall not qualify for a complimentary beverage
7 license.

8 G. Upon issuance of the license, the business shall purchase
9 all of its alcoholic beverages from a brewer, winemaker, retail
10 spirit, retail beer or retail wine licensee and shall become a
11 licensed premises subject to inspection by any ABLE Commission agent
12 or any other peace officer, pursuant to Section 5-115 of Title 37A
13 of the Oklahoma Statutes.

14 H. A complimentary beverage license shall not be used in lieu
15 of a mixed beverage, caterer, brewpub, brewer, public event, special
16 event, beer and wine or charitable event license. However,
17 employees of a complimentary beverage licensee who serve alcoholic
18 beverages shall be twenty-one (21) years of age or older and shall
19 not be required to obtain an employee license.

20 I. The holder of an Oklahoma winery or brewer's license may
21 serve free samples and offer for sale sealed product for off-
22 premises consumption at temporary tastings on the premises of a
23 complimentary beverage licensee.

1 SECTION 2. AMENDATORY Section 13, Chapter 366, O.S.L.
2 2016, as last amended by Section 2, Chapter 312, O.S.L. 2018 (37A
3 O.S. Supp. 2018, Section 2-101), is amended to read as follows:

4 Section 2-101. A. Except as otherwise provided in this
5 section, the licenses issued by the ABLE Commission, and the annual
6 fees therefor, shall be as follows:

- 7 1. Brewer License..... \$1,250.00
- 8 2. Small Brewer License..... \$125.00
- 9 3. Distiller License..... \$3,125.00
- 10 4. Winemaker License..... \$625.00
- 11 5. Small Farm Winery License..... \$75.00
- 12 6. Rectifier License..... \$3,125.00
- 13 7. Wine and Spirits Wholesaler License..... \$3,000.00
- 14 8. Beer Distributor License..... \$750.00

15 9. The following retail spirits license fees shall be
16 determined by the latest Federal Decennial Census:

- 17 a. Retail Spirits License for cities and
18 towns from 200 to 2,500 population..... \$305.00
- 19 b. Retail Spirits License for cities and
20 towns from 2,501 to 5,000 population..... \$605.00
- 21 c. Retail Spirits License for cities and
22 towns over 5,000 population..... \$905.00
- 23 10. Retail Wine License..... \$1,000.00
- 24 11. Retail Beer License..... \$500.00

1	12.	Mixed Beverage License.....	\$1,005.00
2			(initial license)
3			\$905.00
4			(renewal)
5	13.	Mixed Beverage/Caterer Combination License.....	\$1,250.00
6	14.	On-Premises Beer and Wine License.....	\$500.00
7			(initial license)
8			\$450.00
9			(renewal)
10	15.	Bottle Club License.....	\$1,000.00
11			(initial license)
12			\$900.00
13			(renewal)
14	16.	Caterer License.....	\$1,005.00
15			(initial license)
16			\$905.00
17			(renewal)
18	17.	Annual Special Event License.....	\$55.00
19	18.	Quarterly Special Event License.....	\$55.00
20	19.	Hotel Beverage License.....	\$1,005.00
21			(initial license)
22			\$905.00
23			(renewal)
24	20.	Airline/Railroad Beverage License.....	\$1,005.00

1		(initial license)
2		\$905.00
3		(renewal)
4	21.	Agent License..... \$55.00
5	22.	Employee License..... \$30.00
6	23.	Industrial License..... \$23.00
7	24.	Carrier License..... \$23.00
8	25.	Private Carrier License..... \$23.00
9	26.	Bonded Warehouse License..... \$190.00
10	27.	Storage License..... \$23.00
11	28.	Nonresident Seller License or Manufacturer's
12		License..... \$750.00
13	29.	Manufacturer's Agent License..... \$55.00
14	30.	Sacramental Wine Supplier License..... \$100.00
15	31.	Charitable Auction License..... \$1.00
16	32.	Charitable Alcoholic Beverage License..... \$55.00
17	33.	Winemaker Self-Distribution License..... \$750.00
18	34.	Annual Public Event License..... \$1,005.00
19	35.	One-Time Public Event License..... \$255.00
20	36.	Small Brewer Self-Distribution License..... \$750.00
21	37.	Brewpub License..... \$1,005.00
22	38.	Brewpub Self-Distribution License..... \$750.00
23	39.	<u>Complimentary Beverage License..... \$75.00</u>
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1 B. 1. There shall be added to the initial or renewal fees for
2 a Mixed Beverage License an administrative fee, which shall not be
3 deemed to be a license fee, in the amount of Five Hundred Dollars
4 (\$500.00), which shall be paid at the same time and in the same
5 manner as the license fees prescribed by paragraph 10 of subsection
6 A of this section; provided, this fee shall not be assessed against
7 service organizations or fraternal beneficiary societies which are
8 exempt under Section 501(c)(19), (8) or (10) of the Internal Revenue
9 Code.

10 2. There shall be added to the fee for a Mixed Beverage/Caterer
11 Combination License an administrative fee, which shall not be deemed
12 to be a license fee, in the amount of Two Hundred Fifty Dollars
13 (\$250.00), which shall be paid at the same time and in the same
14 manner as the license fee prescribed by paragraph 11 of subsection A
15 of this section.

16 C. Notwithstanding the provisions of subsection A of this
17 section:

18 1. The license fee for a mixed beverage or bottle club license
19 for those service organizations or fraternal beneficiary societies
20 which are exempt under Section 501(c)(19), (8) or (10) of the
21 Internal Revenue Code shall be Five Hundred Dollars (\$500.00) per
22 year; and
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1 2. The renewal fee for an airline/railroad beverage license
2 held by a railroad described in 49 U.S.C., Section 24301, shall be
3 One Hundred Dollars (\$100.00).

4 D. An applicant may apply for and receive both an on-premises
5 beer and wine license and a caterer license.

6 E. All licenses, except as otherwise provided, shall be valid
7 for one (1) year from date of issuance unless revoked or
8 surrendered. Provided, all employee licenses shall be valid for two
9 (2) years.

10 F. The holder of a license, issued by the ABLE Commission, for
11 a bottle club located in a county of this state where the sale of
12 alcoholic beverages by the individual drink for on-premises
13 consumption has been authorized, may exchange the bottle club
14 license for a mixed beverage license or an on-premises beer and wine
15 license and operate the licensed premises as a mixed beverage
16 establishment or an on-premises beer and wine establishment subject
17 to the provisions of the Oklahoma Alcoholic Beverage Control Act.
18 There shall be no additional fee for such exchange and the mixed
19 beverage license or on-premises beer and wine license issued shall
20 expire one (1) year from the date of issuance of the original bottle
21 club license.

22 G. In addition to the applicable licensing fee, the following
23 surcharge shall be assessed annually on the following licenses:

24 1. Nonresident Seller or Manufacturer License..... \$2,500.00

- 1 2. Wine and Spirits Wholesaler License..... \$2,500.00
- 2 3. Beer Distributor..... \$1,000.00
- 3 4. Retail Spirits License for cities and towns
- 4 over 5,000 population..... \$250.00
- 5 5. Retail Spirits License for cities and towns
- 6 from 2,501 to 5,000 population..... \$200.00
- 7 6. Retail Spirits License for cities and towns
- 8 from 200 to 2,500 population..... \$150.00
- 9 7. Retail Wine License..... \$250.00
- 10 8. Retail Beer License..... \$250.00
- 11 9. Mixed Beverage License..... \$25.00
- 12 10. Mixed Beverage/Caterer Combination License..... \$25.00
- 13 11. Caterer License..... \$25.00
- 14 12. On-Premises Beer and Wine License..... \$25.00
- 15 13. Annual Public Event License..... \$25.00
- 16 14. Small Farm Winery License..... \$25.00
- 17 15. Small Brewer License..... \$35.00
- 18 16. Complimentary Beverage License..... \$25.00

19 The surcharge shall be paid concurrent with the licensee's
20 annual licensing fee and, in addition to Five Dollars (\$5.00) of the
21 employee license fee, shall be deposited in the Alcoholic Beverage
22 Governance Revolving Fund established pursuant to Section 5-128 of
23 this title.

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1 H. Any license issued by the ABLE Commission under this title
2 may be relied upon by other licensees as a valid license, and no
3 other licensee shall have any obligation to independently determine
4 the validity of such license or be held liable solely as a
5 consequence of another licensee's failure to maintain a valid
6 license.

7 SECTION 3. This act shall become effective July 1, 2019.

8 SECTION 4. It being immediately necessary for the preservation
9 of the public peace, health or safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

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13 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
14 02/27/2019 - DO PASS.

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