

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1197

By: David

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5
6 AS INTRODUCED

7 An Act relating to alcoholic beverages; amending 37
8 O.S. 2011, Section 521, as last amended by Section 2,
9 Chapter 275, O.S.L. 2015 (37 O.S. Supp. 2015, Section
10 521), which relates to acts authorized for certain
11 licenses; removing prohibition for motion picture
12 theater; and providing an effective date.

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

14 SECTION 1. AMENDATORY 37 O.S. 2011, Section 521, as last
15 amended by Section 2, Chapter 275, O.S.L. 2015 (37 O.S. Supp. 2015,
16 Section 521), is amended to read as follows:

17 Section 521. A. A brewer license shall authorize the holder
18 thereof: To manufacture, bottle, package, and store beer on
19 licensed premises; to sell beer in this state to holders of Class B
20 wholesaler licenses and retail licenses and to sell beer out of this
21 state to qualified persons; and to serve free samples of beer
22 produced by the licensee to visitors twenty-one (21) years of age or
23 older. For purposes of this section, no visitor may sample more
24 than a total of twelve (12) fluid ounces of beer per day. The
brewer must restrict the distribution and consumption of beer

1 samples to an area within the licensed premises designated by the
2 brewer. A current floor plan that includes the designated sampling
3 area must be on file with the Oklahoma Alcoholic Beverage Laws
4 Enforcement (ABLE) Commission. No visitor under twenty-one (21)
5 years of age shall be permitted to enter this designated sampling
6 area when samples are being distributed or consumed. Samples may
7 only be distributed or consumed between ten a.m. and nine p.m.
8 Samples of beer served by a brewery under this section shall not be
9 considered a "sale" of beer within the meaning of Article XXVIII of
10 the Oklahoma Constitution or Section 506 of this title; however,
11 such samples of beer shall be considered beer removed or withdrawn
12 from the brewery for "use or consumption" within the meaning of
13 Section 542 of this title for excise tax determination and reporting
14 requirements.

15 B. A distiller license shall authorize the holder thereof: To
16 manufacture, bottle, package, and store spirits on licensed
17 premises; to sell spirits in this state to licensed wholesalers and
18 manufacturers only; to sell spirits out of this state to qualified
19 persons; to purchase from licensed distillers and rectifiers in this
20 state, and import spirits from without this state for manufacturing
21 purposes in accordance with federal laws and regulations.

22 C. A winemaker license shall authorize the holder thereof: To
23 manufacture (including such mixing, blending and cellar treatment as
24 authorized by federal law), bottle, package, and store on licensed

1 premises wine containing not more than twenty-four percent (24%)
2 alcohol by volume, provided the bottle or package sizes authorized
3 shall be limited to the capacities approved by the United States
4 Alcohol and Tobacco Tax and Trade Bureau; to sell wine in this state
5 to licensed wholesalers and manufacturers; to sell bottles of wine
6 produced at the winery from grapes and other fruits and berries
7 grown in this state, if available, to consumers on the premises of
8 the winery; to serve visitors on the licensed premises samples of
9 wine produced on the premises; to serve samples of wine produced at
10 the winery at festivals and trade shows; to sell wine produced at
11 the winery, in original sealed containers, at festivals and trade
12 shows; to sell wine out of this state to qualified persons; to
13 purchase from licensed winemakers, distillers and rectifiers in this
14 state, and to import into this state wine, brandy and fruit spirits
15 for use in manufacturing in accordance with federal laws and
16 regulations; provided, a winemaker either within or without this
17 state that annually produces no more than ten thousand (10,000)
18 gallons of wine may elect to sell and self-distribute the wine
19 produced by such winemaker directly to licensed retail package
20 stores and restaurants in this state; and provided further that:

21 1. Any such winemaker which elects to directly sell its wine to
22 package stores and restaurants shall not also use a licensed
23 wholesale distributor as a means of distribution, and shall be
24 required to sell its wines to every package store and restaurant

1 licensee who desires to purchase the same, on the same price basis
2 and without discrimination;

3 2. If a winemaker or winery sells directly to a retail package
4 store or restaurant, the winemaker shall transport the wine from the
5 winemaker's winery to the premises where the wine is to be delivered
6 only in vehicles owned or leased by the winemaker and not by common
7 or private contract carrier and shall obtain all necessary permits
8 as required by the Oklahoma Alcoholic Beverage Control Act; and

9 3. If the production volume limit applicable to winemakers is
10 ruled to be unconstitutional by a court of competent jurisdiction,
11 then no winemaker shall be permitted to directly sell its wine to
12 retail package stores or restaurants in this state.

13 D. A winemaker self-distribution license shall authorize a
14 licensed winemaker within or without this state which is permitted
15 by Section 3 of Article XXVIII of the Oklahoma Constitution and
16 subsection C of this section, to distribute its wine directly to
17 retail package stores and restaurants in this state and that elects
18 to do so, to sell and deliver its wines directly to licensed retail
19 package stores and restaurants in this state in full case lots only,
20 and in accordance with the provisions of the Oklahoma Alcoholic
21 Beverage Control Act and such rules as the ABLE Commission shall
22 adopt.

23 E. A rectifier license shall authorize the holder thereof: To
24 rectify spirits and wines, bottle, package, and store same on the

1 licensed premises; to sell spirits and wines in this state to
2 licensed wholesalers and manufacturers only; to sell spirits and
3 wines out of this state to qualified persons; to purchase from
4 licensed manufacturers in this state; and to import into this state
5 for manufacturing purposes spirits and wines in accordance with
6 federal laws and regulations.

7 F. 1. A wholesaler license shall authorize the holder thereof:
8 To purchase and import into this state spirits and wines from
9 persons authorized to sell same who are the holders of a nonresident
10 seller license, and their agents who are the holders of
11 manufacturers agent licenses; to purchase spirits and wines from
12 licensed distillers, rectifiers and winemakers in this state; to
13 purchase spirits and wines from licensed wholesalers, to the extent
14 set forth in paragraphs 2 and 3 of this subsection; to sell in
15 retail containers in this state to retailers, mixed beverage,
16 caterer, special event, public event, hotel beverage or
17 airline/railroad beverage licensees, spirits and wines which have
18 been received and unloaded at the bonded warehouse facilities of the
19 wholesaler before such sale; to sell to licensed wholesalers, to the
20 extent set forth in paragraphs 2 and 3 of this subsection, spirits
21 and wines which have been received and unloaded at the bonded
22 warehouse facilities of the wholesaler before such sale; and to sell
23 spirits and wines out of this state to qualified persons. Provided,
24 however, sales of spirits and wine in containers with a capacity of

1 less than one-twentieth (1/20) gallon by a holder of a wholesaler
2 license shall be in full case lots and in the original unbroken
3 case. Wholesalers shall be authorized to place such signs outside
4 their place of business as are required by Acts of Congress and by
5 such laws and regulations promulgated under such Acts.

6 2. Wholesalers are prohibited from purchasing annually in
7 excess of fifteen percent (15%) of their total spirits inventory and
8 fifteen percent (15%) of their total wine inventory from one or more
9 wholesalers. Wholesalers are also prohibited from purchasing
10 annually in excess of fifteen percent (15%) of their inventory of
11 any individual brand of spirits or wine from one or more
12 wholesalers. The volume of spirits and wine and of each brand that
13 each wholesaler is permitted to purchase annually from other
14 wholesalers shall be calculated by the ABLE Commission by
15 multiplying fifteen percent (15%) by:

- 16 a. the total volume of spirits sales of the wholesaler,
17 by liter, from the previous calendar year, and
- 18 b. the total volume of wine sales of the wholesaler, by
19 liter, from the previous calendar year, and
- 20 c. the volume of sales of each brand of spirits or wine
21 of the wholesaler, by liter, from the previous
22 calendar year.

23 A wholesaler who did not post any sales of spirits, wine or of a
24 particular brand in the previous calendar year shall be deemed to

1 have sold the same volume of spirits, wine or of a particular brand
2 as the wholesaler posting the smallest volumes of sales in spirits,
3 wine or of a particular brand for that year for the purposes of this
4 paragraph. Notwithstanding the foregoing, wholesalers shall not
5 purchase any inventory in spirits or wine from any other wholesaler
6 until such time that the purchasing wholesaler possesses an
7 inventory valued at no less than Two Hundred Fifty Thousand Dollars
8 (\$250,000.00). Inventory valuation shall be based on the original
9 actual price paid by the purchasing wholesaler to the nonresident
10 seller for the inventory.

11 3. A wholesaler may sell spirits and wine to other wholesalers
12 or purchase spirits and wines from other wholesalers without
13 complying with paragraph 2 of this subsection in the case of the
14 sale, purchase, or other transfer or acquisition of the entire
15 business of a wholesaler, including the inventory of spirits and
16 wine.

17 4. A wholesaler license shall authorize the holder thereof to
18 operate a single bonded warehouse with a single central office
19 together with delivery facilities at a location in this state only
20 at the principal place of business for which the wholesaler license
21 was granted.

22 5. All licensed wholesalers shall register prices, purchase and
23 keep on hand or have on order a fifteen-day supply of all brands
24 constituting the top eighteen brands in total sales by all Oklahoma

1 wholesalers during the past twelve-month period, according to the
2 records of the ABLE Commission as revised by the ABLE Commission
3 quarterly; provided, however, that not more than three brands of any
4 particular nonresident seller shall be included in the top-brands
5 classification. All purchase orders for these top eighteen brands
6 must show an expected due delivery date. These purchase orders may
7 only be canceled with prior approval of the Director of the ABLE
8 Commission, unless a wholesaler shall have in its warehouse a
9 fifteen-day supply of merchandise on such purchase order.

10 In order to allow the ABLE Commission to determine the top
11 eighteen brands, wholesalers must submit to the ABLE Commission
12 every sixty (60) days a sworn affidavit listing their top twenty-
13 five brands in sales for the previous sixty (60) days, excluding
14 sales to wholesalers. Such affidavits shall be submitted in
15 conjunction with the original price postings of wholesalers.

16 A fifteen-day supply of a particular brand for a particular
17 wholesaler shall be based upon the market share of the wholesaler,
18 determined by first multiplying the total number of liters of such
19 brand sold by all wholesalers to all retailers during the previous
20 calendar year by the percentage that the total sales of wine and
21 spirits of the particular wholesaler, in liters, for such calendar
22 year bears to the total sales of wine and spirits, in liters,
23 reported by all wholesalers for such calendar year; and then
24 dividing by twenty-four (24); provided, that a fifteen-day supply

1 for a wholesaler who has not been in business for the entirety of
2 the previous calendar year shall be deemed to be equal to that of
3 the wholesaler who was in business for the entirety of the previous
4 calendar year and who reported the lowest volume of sales of wine
5 and spirits, in liters, of any wholesaler having been in business
6 for such period.

7 G. A Class B wholesaler license shall authorize the holder
8 thereof: To purchase and import into this state beer from persons
9 authorized to sell same who are the holders of nonresident seller
10 licenses, and their agents who are the holders of manufacturers
11 agent licenses; to purchase beer from licensed brewers and Class B
12 wholesalers in this state; to sell in retail containers to
13 retailers, mixed beverage, caterer, special event, public event,
14 hotel beverage, and airline/railroad beverage licensees in this
15 state, beer which has been unloaded and stored at the holder's self-
16 owned or leased and self-operated warehouse facilities for a period
17 of at least twenty-four (24) hours before such sale; and to sell
18 beer in this state to Class B wholesalers and out of this state to
19 qualified persons, including federal instrumentalities and voluntary
20 associations of military personnel on federal enclaves in this state
21 over which this state has ceded jurisdiction.

22 H. A package store license shall authorize the holder thereof:
23 To purchase alcohol, spirits, beer, and wine in retail containers
24 from the holder of a brewer, wholesaler or Class B wholesaler

1 license and to purchase wine from a winemaker who is permitted and
2 has elected to self-distribute as provided in Section 3 of Article
3 XXVIII of the Oklahoma Constitution and to sell same on the licensed
4 premises in such containers to consumers for off-premises
5 consumption only and not for resale; provided, wine, beer, and
6 spirits may be sold to charitable organizations that are holders of
7 charitable alcoholic beverage auction or charitable alcoholic
8 beverage event licenses. All alcoholic beverages that are sold by a
9 package store are to be sold at ordinary room temperature.

10 I. A mixed beverage license shall authorize the holder thereof:
11 To purchase alcohol, spirits, beer or wine in retail containers from
12 the holder of a wholesaler or Class B wholesaler license or as
13 specifically provided by law and to sell, offer for sale and possess
14 mixed beverages for on-premises consumption only; provided, the
15 holder of a mixed beverage license issued for an establishment which
16 is also a restaurant may purchase wine directly from a winemaker who
17 is permitted and has elected to self-distribute as provided in
18 Section 3 of Article XXVIII of the Oklahoma Constitution.

19 Sales and service of mixed beverages by holders of mixed
20 beverage licenses shall be limited to the licensed premises of the
21 licensee unless the holder of the mixed beverage license also
22 obtains a caterer license or a mixed beverage/caterer combination
23 license. A mixed beverage license shall only be issued in counties
24 of this state where the sale of alcoholic beverages by the

1 individual drink for on-premises consumption has been authorized. A
2 separate license shall be required for each place of business. ~~No~~
3 ~~mixed beverage license shall be issued for any place of business~~
4 ~~functioning as a motion picture theater, as defined by Section 506~~
5 ~~of this title.~~ A mixed beverage licensee whose main purpose is
6 hosting live performance art presentations may utilize the services
7 of a licensed caterer for its alcoholic beverage service as long as
8 it is not open to the public more than one hundred twenty (120) days
9 per year.

10 J. A bottle club license shall authorize the holder thereof: To
11 store, possess and mix alcoholic beverages belonging to members of
12 the club and to serve such alcoholic beverages for on-premises
13 consumption to club members. A bottle club license shall only be
14 issued in counties of this state where the sale of alcoholic
15 beverages by the individual drink for on-premises consumption has
16 not been authorized. A separate license shall be required for each
17 place of business.

18 K. A caterer license shall authorize the holder thereof: To
19 sell mixed beverages for on-premises consumption incidental to the
20 sale or distribution of food at particular functions, occasions, or
21 events which are private and temporary in nature. A caterer license
22 shall not be issued in lieu of a mixed beverage license. A caterer
23 license shall only be issued or utilized in counties of this state
24 where the sale of alcoholic beverages by the individual drink for

1 on-premises consumption has been authorized. A separate license
2 shall be required for each place of business.

3 A licensed caterer shall be authorized to sell mixed beverages
4 for on-premises consumption incidental to the distribution of food
5 at temporary private functions, at temporary public events that are
6 licensed and approved by the ABLE Commission, and on the premises of
7 a mixed beverage licensee whose main purpose is the hosting of live
8 performing art presentations and is not open to the public more than
9 one hundred twenty (120) days per year.

10 L. 1. An annual special event license shall authorize the
11 holder thereof: To sell and distribute mixed beverages for
12 consumption on the premises for which the license has been issued
13 for up to four events to be held over a period not to exceed one (1)
14 year, not to exceed two such events in any three-month period. For
15 purposes of this paragraph, an event shall not exceed a period of
16 ten (10) consecutive days. An annual special event license shall
17 only be issued in counties of this state where the sale of alcoholic
18 beverages by the individual drink for on-premises consumption has
19 been authorized. The holder of an annual special event license
20 shall provide written notice to the ABLE Commission of each special
21 event not less than ten (10) days before the event is held.

22 2. A quarterly special event license shall authorize the holder
23 thereof: To sell and distribute mixed beverages for consumption on
24 the premises for which the license has been issued for up to three

1 events to be held over a period not to exceed three (3) months. For
2 purposes of this paragraph, an event shall not exceed a period of
3 ten (10) consecutive days. A quarterly special event license shall
4 only be issued in counties of this state where the sale of alcoholic
5 beverages by the individual drink for on-premises consumption has
6 been authorized. The holder of a quarterly special event license
7 shall provide written notice to the ABLE Commission of each special
8 event not less than ten (10) days before the event is held.

9 3. An annual public event license shall authorize the holder
10 thereof: to sell and distribute mixed beverages for consumption on
11 the premises for which the license has been issued for up to six
12 events to be held over a period not to exceed one (1) year. The
13 applicant for an annual public event license, who does not already
14 hold a license issued by the ABLE Commission, shall make application
15 not less than sixty (60) days before its first event. The ABLE
16 Commission shall have the authority to waive the sixty-day
17 requirement at its discretion. For purposes of this paragraph, an
18 event shall not exceed a period of three (3) consecutive days. An
19 annual public event license shall only be issued in counties of this
20 state where the sale of alcoholic beverages by the individual drink
21 for on-premises consumption has been authorized. The holder of an
22 annual public event license shall provide written notice to the ABLE
23 Commission of each subsequent public event not less than ten (10)
24 days before the event is held. A public event license shall not be

1 used in lieu of a mixed beverage license. The holder of an annual
2 public event license may choose to utilize the services of a
3 licensed caterer to provide and distribute the alcoholic beverages
4 at their events. When the applicant chooses to utilize the services
5 of a licensed caterer, the applicant shall declare upon application
6 which licensed caterer will be used. The licensed caterer shall be
7 responsible for payment of all applicable mixed beverage taxes
8 through the existing Mixed Beverage Tax Permit issued to his or her
9 business by the Oklahoma Tax Commission.

10 4. A one-time public event license shall authorize the holder
11 thereof: to sell and distribute mixed beverages for consumption on
12 the premises for which the license has been issued. The applicant
13 for a one-time public event license, who does not already hold a
14 license issued by the ABLE Commission, shall make application not
15 less than sixty (60) days before the event. The ABLE Commission
16 shall have the authority to waive the sixty-day requirement at its
17 discretion. For purposes of this paragraph, an event shall not
18 exceed a period of three (3) consecutive days. A public event
19 license shall only be issued in counties of this state where the
20 sale of alcoholic beverages by the individual drink for on-premises
21 consumption has been authorized. A public event license shall not
22 be used in lieu of a mixed beverage license. The holder of a one-
23 time public event license may choose to utilize the services of a
24 licensed caterer to provide and distribute the alcoholic beverages

1 at his or her event. When the applicant chooses to utilize the
2 services of a licensed caterer, the applicant shall declare upon
3 application which licensed caterer will be used. The licensed
4 caterer shall be responsible for payment of all applicable mixed
5 beverage taxes through the existing Mixed Beverage Tax Permit issued
6 to his or her business by the Oklahoma Tax Commission.

7 M. A hotel beverage license shall authorize the holder thereof:
8 To sell or serve alcoholic beverages in 50 milliliter spirits, 187
9 milliliter wine, and 12-ounce malt beverage containers which are
10 distributed from a hotel room mini-bar. A hotel beverage license
11 shall only be issued in counties of this state where the sale of
12 alcoholic beverages by the individual drink for on-premises
13 consumption has been authorized. A hotel beverage license shall
14 only be issued to a hotel or motel as defined by Section 506 of this
15 title which is also the holder of a mixed beverage license.
16 Provided, that application may be made simultaneously for both such
17 licenses. A separate license shall be required for each place of
18 business.

19 N. An airline/railroad beverage license shall authorize the
20 holder thereof: To sell or serve alcoholic beverages in or from any
21 size container on a commercial passenger airplane or railroad
22 operated in compliance with a valid license, permit or certificate
23 issued under the authority of the United States or this state, even
24 though the airplane or train, in the course of its travel, may cross

1 an area in which the sale of alcoholic beverages by the individual
2 drink is not authorized and to store alcoholic beverages in sealed
3 containers of any size at any airport or station regularly served by
4 the licensee, in accordance with rules promulgated by the Alcoholic
5 Beverage Laws Enforcement Commission. Alcoholic beverages purchased
6 by the holder of an airline/railroad license from the holder of a
7 wholesaler license shall be presumed to be purchased for consumption
8 outside the State of Oklahoma or in interstate commerce, and shall
9 be exempt from the excise tax provided for in Section 553 of this
10 title.

11 O. An agent license shall authorize the holder thereof: To
12 represent only the holders of licenses within this state, other than
13 retailers, authorized to sell alcoholic beverages to retail dealers
14 in Oklahoma, and to solicit and to take orders for the purchase of
15 alcoholic beverages from retailers including licensees authorized to
16 sell alcoholic beverages by the individual drink for on-premises
17 consumption. Such license shall be issued only to agents and
18 employees of the holder of a license under the Oklahoma Alcoholic
19 Beverage Control Act, but no such license shall be required of an
20 employee making sales of alcoholic beverages on licensed premises of
21 the employee's principal. No person holding an agent license shall
22 be entitled to a manufacturers agent license.

23 P. An employee license shall authorize the holder thereof: To
24 work in a package store, mixed beverage establishment, beer and wine

1 establishment, bottle club, public event or any establishment where
2 alcohol or alcoholic beverages are sold, mixed, or served. Persons
3 employed by a mixed beverage licensee, beer and wine licensee,
4 public event licensee or a bottle club who do not participate in the
5 service, mixing, or sale of mixed beverages shall not be required to
6 have an employee license. Provided, however, that a manager
7 employed by a mixed beverage licensee, public event licensee or a
8 bottle club shall be required to have an employee license whether or
9 not the manager participates in the service, mixing or sale of mixed
10 beverages. Applicants for an employee license must have a health
11 card issued by the county in which they are employed, if the county
12 issues such a card. Employees of special event, caterer, unless
13 catering a mixed beverage licensed premises, or airline/railroad
14 beverage licensees shall not be required to obtain an employee
15 license. Persons employed by a hotel licensee who participate in
16 the stocking of hotel room mini-bars or in the handling of alcoholic
17 beverages to be placed in such devices shall be required to have an
18 employee license.

19 Q. An industrial license may be issued to persons desiring to
20 import, transport, and use alcohol for the following purposes:

21 1. Manufacture of patent, proprietary, medicinal,
22 pharmaceutical, antiseptic, and toilet preparations;

23 2. Manufacture of extracts, syrups, condiments, and food
24 products; and

1 3. For use in scientific, chemical, mechanical, industrial, and
2 medicinal products and purposes.

3 No other provisions of the Oklahoma Alcoholic Beverage Control
4 Act shall apply to alcohol intended for industrial, medical,
5 mechanical or scientific use.

6 Any person receiving alcohol under authority of an industrial
7 license who shall use, permit, or cause same to be used for purposes
8 other than authorized purposes specified above, and all such
9 alcohol, shall be liable to all provisions of the Oklahoma Alcoholic
10 Beverage Control Act, including payment of tax thereon.

11 No provisions of the Oklahoma Alcoholic Beverage Control Act
12 shall apply to alcohol withdrawn by any person free of federal tax
13 under a tax-free permit issued by the United States government, if
14 such alcohol is received, stored, and used as authorized by federal
15 laws.

16 R. A carrier license may be issued to any common carrier
17 operating under a certificate of convenience and necessity issued by
18 any duly authorized federal or state regulatory agency. Such
19 license shall authorize the holder thereof to transport alcoholic
20 beverages other than wine sold directly by a winemaker or winery to
21 a retail package store or restaurant into, within, and out of this
22 state under such terms, conditions, limitations, and restrictions as
23 the ABLE Commission may prescribe by order issuing such license and
24 by regulations.

1 S. A private carrier license may be issued to any carrier other
2 than a common carrier described in subsection Q of this section.
3 Such license shall authorize the holder thereof to transport
4 alcoholic beverages other than wine sold directly by a winemaker or
5 winery to a retail package store or restaurant into, within, or out
6 of this state under such terms, conditions, limitations, and
7 restrictions as the ABLE Commission may prescribe by order issuing
8 such license and by regulations. No carrier license or private
9 carrier license shall be required of licensed brewers, distillers,
10 winemakers, rectifiers, wholesalers, or Class B wholesalers, to
11 transport alcoholic beverages from the place of purchase or
12 acquisition to the licensed premises of such licensees and from such
13 licensed premises to the licensed premises of the purchaser in
14 vehicles owned or leased by such licensee when such transportation
15 is for a lawful purpose and not for hire.

16 No carrier license or private carrier license shall be required
17 of the holder of a package store, mixed beverage, caterer, special
18 event, hotel beverage, public event or airline/railroad license to
19 pick up alcoholic beverage orders from the licensees' wholesaler or
20 Class B wholesaler from whom they are purchased, and to transport
21 such alcoholic beverages from the place of purchase or acquisition
22 to the licensed premise of such licensees in vehicles owned or under
23 the control of such licensee or a licensed employee of such licensee

24

1 under such terms, conditions, limitations and restrictions as the
2 ABLE Commission may prescribe.

3 T. A bonded warehouse license shall authorize the holder
4 thereof: To receive and store alcoholic beverages for the holders of
5 storage licenses on the licensed premises of the bonded warehouse
6 licensee. No goods, wares or merchandise other than alcoholic
7 beverages may be stored in the same bonded warehouse with alcoholic
8 beverages. The holder of a bonded warehouse license shall furnish
9 and file with the ABLE Commission a bond running to all bailers of
10 alcoholic beverages under proper storage licenses and their
11 assignees (including mortgagees or other bona fide lienholders)
12 conditioned upon faithful performance of the terms and conditions of
13 such bailments.

14 U. A storage license may be issued to a holder of a brewer,
15 distiller, winemaker, rectifier, wholesaler, Class B wholesaler,
16 nonresident seller, package store, mixed beverage, caterer, public
17 event or hotel beverage license, and shall authorize the holder
18 thereof: To store alcoholic beverages in a public warehouse holding
19 a bonded warehouse license, and no goods, wares or merchandise other
20 than alcoholic beverages may be stored in the same warehouse with
21 alcoholic beverages in private warehouses owned or leased and
22 operated by such licensees elsewhere than on their licensed
23 premises. Provided:

24

1 1. A storage license issued to a Class B wholesaler shall
2 permit the storage of light beer and permit the sale and delivery to
3 retailers from the premises covered by such license;

4 2. Any licensee who is the holder of a mixed beverage/caterer
5 combination license or the holder of a mixed beverage license and a
6 hotel beverage license who is issued a storage license shall store
7 all inventories of alcoholic beverages either on the premises of the
8 mixed beverage establishment or in the warehouse;

9 3. A storage license shall not be required for a special event
10 licensee storing alcoholic beverages for use at a subsequent event;

11 4. A storage license shall be required for a public event
12 licensee storing alcoholic beverages for use at a subsequent event;
13 and

14 5. Notwithstanding the provisions of subsection I of this
15 section or any other provision of this title, a licensee who wholly
16 owns more than one licensed mixed beverage establishment may store
17 alcoholic beverages for each of the licensed establishments in one
18 location under one storage license. Alcoholic beverages purchased
19 and stored pursuant to the provisions of a storage license, for one
20 licensed mixed beverage establishment may be transferred by a
21 licensee to another licensed mixed beverage establishment which is
22 wholly owned by the same licensee. Notice of such a transfer shall
23 be given in writing to the Oklahoma Tax Commission and the ABLE
24 Commission within three (3) business days of the transfer. The

1 notice shall clearly show the quantity, brand and size of every
2 transferred bottle or case.

3 V. A sacramental wine supplier license shall authorize the
4 holder thereof: To sell, ship or deliver sacramental wine to any
5 religious corporation or society of this state holding a valid
6 exemption from taxation issued pursuant to Section 501(a) of the
7 Internal Revenue Code, 1986, and listed as an exempt organization in
8 Section 501(c)(3) of the Internal Revenue Code, 1986, of the United
9 States, as amended.

10 W. A beer and wine license shall authorize the holder thereof:
11 To purchase beer and wine in retail containers from the holder of a
12 wholesaler or Class B wholesaler license or as specifically provided
13 by law and to sell, offer for sale and possess beer and wine for on-
14 premises consumption only; provided, the holder of a beer and wine
15 license issued for an establishment which is also a restaurant may
16 purchase wine from a winemaker who is permitted and has elected to
17 self-distribute as provided in Section 3 of Article XXVIII of the
18 Oklahoma Constitution.

19 Sales and service of beer and wine by holders of beer and wine
20 licenses shall be limited to the licensed premises of the licensee
21 unless the holder of the beer and wine license also obtains a
22 caterer license. A beer and wine license shall only be issued in
23 counties of this state where the sale of alcoholic beverages by the
24 individual drink for on-premises consumption has been authorized. A

1 separate license shall be required for each place of business. ~~No~~
2 ~~beer and wine license shall be issued for any place of business~~
3 ~~functioning as a motion picture theater, as defined by Section 506~~
4 ~~of this title.~~ No spirits shall be stored, possessed or consumed on
5 the licensed premises of a beer and wine licensee.

6 X. A charitable auction or charitable alcoholic beverage event
7 license may be issued to a charitable organization exempt from
8 taxation under Section 501(c)(3), (4), (5), (6), (7), (8), (9),
9 (10), or (19) of the United States Internal Revenue Code. The
10 charitable alcoholic beverage event license shall authorize the
11 holder thereof to conduct a wine, spirit and/or beer event which may
12 consist of one or more of a wine, spirit and/or beer tasting event,
13 a wine, spirit and/or beer dinner event or a wine, spirit and/or
14 beer auction, which may be either a live auction conducted by an
15 auctioneer or a silent auction for which:

16 1. Bid sheets are accepted from interested bidders at the
17 event;

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

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

22 A charitable alcoholic beverage event shall be conducted solely
23 to raise funds for charitable purposes. A charitable alcoholic
24 beverage license will allow the event attendees access to tastings,

1 samples, dinners, and alcoholic beverages as parts of their entrance
2 fee or ticket price. Wine, spirits and/or beer used in, served, or
3 consumed at a charitable alcoholic beverage event may be purchased
4 by the charitable organization or donated by any person or entity.
5 The charitable alcoholic beverage event license shall be issued for
6 a period not exceeding four (4) days. Only eight such licenses may
7 be issued to an organization in any twelve-month period. The
8 charitable organization holding a charitable alcoholic beverage
9 event license shall not be required to obtain a special event
10 license. Charitable auction and charitable alcoholic beverage event
11 license holders may also utilize a licensed caterer to provide
12 additional alcohol services at the event and on the premises. The
13 charitable auction license shall authorize the holder thereof to
14 auction wine, spirits, and/or beer purchased from a retail package
15 store or received as a gift from an individual if the auction is
16 conducted to raise funds for charitable purposes. The charitable
17 auction license shall be issued for a period not to exceed two (2)
18 days. Only four such licenses shall be issued to an organization in
19 any twelve-month period. The maximum amount of wine, spirits,
20 and/or beer auctioned pursuant to the charitable auction license
21 shall not exceed fifty (50) gallons. All wine, beer, and spirits
22 auctioned pursuant to the charitable auction license shall be
23 registered and all fees and taxes shall be paid in accordance with
24 the Oklahoma Alcoholic Beverage Control Act.

1 Y. A mixed beverage/caterer combination license shall authorize
2 the holder thereof: To purchase or sell mixed beverages as
3 specifically provided by law for the holder of a mixed beverage
4 license or a caterer license. All provisions of the Oklahoma
5 Alcoholic Beverage Control Act applicable to mixed beverage licenses
6 or caterer licenses, or the holders thereof, shall also be
7 applicable to mixed beverage/caterer combination licenses or the
8 holders thereof, except where specifically otherwise provided. A
9 mixed beverage/caterer combination license shall only be issued in
10 counties of this state where the sale of alcoholic beverages by the
11 individual drink for on-premises consumption has been authorized. A
12 separate license shall be required for each place of business.

13 A licensed mixed beverage/caterer licensee shall be authorized
14 to sell mixed beverages for on-premises consumption incidental to
15 the distribution of food at temporary private functions, at
16 temporary public events that are licensed and approved by the ABLE
17 Commission, and on the premises of a mixed beverage licensee whose
18 main purpose is the hosting of live art presentations and is not
19 open to the public more than one hundred twenty (120) days per year.

20 Z. In the event any portion of this section is declared invalid
21 for any reason, the invalid portion shall be severed and the rest
22 and remainder of the section shall be saved and given full force and
23 application.

24

1 AA. Except as provided in Sections 554.1 and 554.2 of this
2 title with respect to cities, towns and counties, and except as may
3 be provided under Title 68 of the Oklahoma Statutes with respect to
4 the Oklahoma Tax Commission, no license or permit other than
5 licenses as provided under the Oklahoma Alcoholic Beverage Control
6 Act shall be required of any licensee by any agency, instrumentality
7 or political subdivision of this state to engage in any activity
8 covered by the Oklahoma Alcoholic Beverage Control Act anywhere
9 within the State of Oklahoma and no agency, instrumentality or
10 political subdivision of this state shall interfere with the ABLE
11 Commission's regulation of, or a wholesaler's performance of, the
12 sale, distribution, possession, handling or marketing of alcoholic
13 beverages on any premises of any licensee as defined in Section 506
14 of this title.

15 SECTION 2. This act shall become effective November 1, 2016.

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