

An Act

ENROLLED SENATE
BILL NO. 336

By: Bice of the Senate

and

Roberts (Sean) of the House

An Act relating to winemakers; amending Section 3, Chapter 366, O.S.L. 2016, as last amended by Section 13, Chapter 304, O.S.L. 2018, Section 13, Chapter 366, O.S.L. 2016, as last amended by Section 2, Chapter 312, O.S.L. 2018, Section 16, Chapter 366, O.S.L. 2016, as last amended by Section 2, Chapter 315, O.S.L. 2018, and Section 43, Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2018, Sections 1-103, 2-101, 2-104 and 2-131), which relate to definitions, licenses, winemakers and small farm winery; adding definitions; creating satellite tasting room license; setting annual license fee; authorizing certain licensees to operate a satellite tasting room under certain conditions; stating purpose of satellite tasting room; defining certain term for certain purpose; updating statutory language; providing for codification; and providing an effective date.

SUBJECT: Winemakers

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

SECTION 1. AMENDATORY Section 3, Chapter 366, O.S.L. 2016, as last amended by Section 13, Chapter 304, O.S.L. 2018 (37A O.S. Supp. 2018, Section 1-103), is amended to read as follows:

Section 1-103. As used in the Oklahoma Alcoholic Beverage Control Act:

1. "ABLE Commission" or "Commission" means the Alcoholic Beverage Laws Enforcement Commission;

2. "Alcohol" means and includes hydrated oxide of ethyl, ethyl alcohol, ethanol or spirits of wine, from whatever source or by whatever process produced. It does not include wood alcohol or alcohol which has been denatured or produced as denatured in accordance with Acts of Congress and regulations promulgated thereunder;

3. "Alcoholic beverage" means alcohol, spirits, beer and wine as those terms are defined herein and also includes every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed as a beverage by human beings;

4. "Applicant" means any individual, legal or commercial business entity, or any individual involved in any legal or commercial business entity allowed to hold any license issued in accordance with the Oklahoma Alcoholic Beverage Control Act;

5. "Beer" means any beverage of alcohol by volume and obtained by the alcoholic fermentation of an infusion or decoction of barley, or other grain, malt or similar products. "Beer" may or may not contain hops or other vegetable products. "Beer" includes, among other things, beer, ale, stout, lager beer, porter and other malt or brewed liquors, but does not include sake, known as Japanese rice wine;

6. "Beer keg" means any manufacturer-sealed, single container that contains not less than four (4) gallons of beer;

7. "Beer distributor" means and includes any person licensed to distribute beer for retail sale in the state, but does not include a holder of a small brewer self-distribution license or brewpub self-distribution license. The term "distributor", as used in this act, shall be construed to refer to a beer distributor;

8. "Bottle club" means any establishment in a county which has not authorized the retail sale of alcoholic beverages by the

individual drink, which is required to be licensed to keep, mix and serve alcoholic beverages belonging to club members on club premises;

9. "Brand" means any word, name, group of letters, symbol or combination thereof, that is adopted and used by a licensed manufacturer to identify a specific beer and to distinguish that product from another beer;

10. "Brand extension" means:

- a. after the effective date of this act, any brand of beer or cider introduced by a manufacturer in this state which either:
 - (1) incorporates all or a substantial part of the unique features of a preexisting brand of the same licensed manufacturer, or
 - (2) relies to a significant extent on the goodwill associated with the preexisting brand, or
- b. any brand of beer that a manufacturer, the majority of whose total volume of all brands of beer distributed in this state by such manufacturer on January 1, 2016, was distributed as low-point beer, desires to sell, introduces, begins selling or theretofore has sold and desires to continue selling a strong beer in this state which either:
 - (1) incorporates or incorporated all or a substantial part of the unique features of a preexisting low-point beer brand of the same licensed manufacturer, or
 - (2) relies or relied to a significant extent on the goodwill associated with a preexisting low-point beer brand;

11. "Brewer" means and includes any person who manufactures for human consumption by the use of raw materials or other ingredients

any beer upon which a license fee and a tax are imposed by any law of this state;

12. "Brewpub" means a licensed establishment operated on the premises of, or on premises located contiguous to, a small brewer, that prepares and serves food and beverages, including alcoholic beverages, for on-premises consumption;

13. "Cider" means any alcoholic beverage obtained by the alcoholic fermentation of fruit juice, including but not limited to flavored, sparkling or carbonated cider. For the purposes of the distribution of this product, cider may be distributed by either wine and spirits wholesalers or beer distributors;

14. "Convenience store" means any person primarily engaged in retailing a limited range of general household items and groceries, with extended hours of operation, whether or not engaged in retail sales of automotive fuels in combination with such sales;

15. "Convicted" and "conviction" mean and include a finding of guilt resulting from a plea of guilty or nolo contendere, the decision of a court or magistrate or the verdict of a jury, irrespective of the pronouncement of judgment or the suspension thereof;

16. "Director" means the Director of the ABLE Commission;

17. "Distiller" means any person who produces spirits from any source or substance, or any person who brews or makes mash, wort or wash, fit for distillation or for the production of spirits (except a person making or using such material in the authorized production of wine or beer, or the production of vinegar by fermentation), or any person who by any process separates alcoholic spirits from any fermented substance, or any person who, making or keeping mash, wort or wash, has also in his or her possession or use a still;

18. "Distributor agreement" means the written agreement between the distributor and manufacturer as set forth in Section 3-108 of this title;

19. "Drug store" means a person primarily engaged in retailing prescription and nonprescription drugs and medicines;

20. "Dual-strength beer" means a brand of beer that, immediately prior to April 15, 2017, was being sold and distributed in this state:

- a. as a low-point beer pursuant to the Low-Point Beer Distribution Act in effect immediately prior to the effective date of this act, and
- b. as strong beer pursuant to the Alcoholic Beverage Control Act in effect immediately prior to the effective date of this act,

and continues to be sold and distributed as such on October 1, 2018. Dual-strength beer does not include a brand of beer that arose as a result of a brand extension as defined in this section;

21. "Fair market value" means the value in the subject territory covered by the written agreement with the distributor or wholesaler that would be determined in an arm's length transaction entered into without duress or threat of termination of the distributor's or wholesaler's rights and shall include all elements of value, including goodwill and going-concern value;

22. "Good cause" means:

- a. failure by the distributor to comply with the material and reasonable provisions of a written agreement or understanding with the manufacturer, or
- b. failure by the distributor to comply with the duty of good faith;

23. "Good faith" means the duty of each party to any distributor agreement and all officers, employees or agents thereof to act with honesty in fact and within reasonable standards of fair dealing in the trade;

24. "Grocery store" means a person primarily engaged in retailing a general line of food, such as canned or frozen foods, fresh fruits and vegetables, and fresh and prepared meats, fish and poultry;

25. "Hotel" or "motel" means an establishment which is licensed to sell alcoholic beverages by the individual drink and which contains guestroom accommodations with respect to which the predominant relationship existing between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest. For purposes of this section, the existence of other legal relationships as between some occupants and the owner or operator thereof shall be immaterial;

26. "Legal newspaper" means a newspaper meeting the requisites of a newspaper for publication of legal notices as prescribed in Sections 101 through 114 of Title 25 of the Oklahoma Statutes;

27. "Licensee" means any person holding a license under the Oklahoma Alcoholic Beverage Control Act, and any agent, servant or employee of such licensee while in the performance of any act or duty in connection with the licensed business or on the licensed premises;

28. "Low-point beer" shall mean any beverages containing more than one-half of one percent (1/2 of 1%) alcohol by volume, and not more than three and two-tenths percent (3.2%) alcohol by weight, including but not limited to, beer or cereal malt beverages obtained by the alcoholic fermentation of an infusion by barley or other grain, malt or similar products;

29. "Manufacturer" means a brewer, distiller, winemaker, rectifier or bottler of any alcoholic beverage and its subsidiaries, affiliates and parent companies;

30. "Manufacturer's agent" means a salaried or commissioned salesperson who is the agent authorized to act on behalf of the manufacturer or nonresident seller in the state;

31. "Meals" means foods commonly ordered at lunch or dinner and at least part of which is cooked on the licensed premises and requires the use of dining implements for consumption. Provided, that the service of only food such as appetizers, sandwiches, salads or desserts shall not be considered "meals";

32. "Mini-bar" means a closed container, either refrigerated in whole or in part, or nonrefrigerated, and access to the interior of which is:

- a. restricted by means of a locking device which requires the use of a key, magnetic card or similar device, or
- b. controlled at all times by the licensee;

33. "Mixed beverage cooler" means any beverage, by whatever name designated, consisting of an alcoholic beverage and fruit or vegetable juice, fruit or vegetable flavorings, dairy products or carbonated water containing more than one-half of one percent (1/2 of 1%) of alcohol measured by volume but not more than seven percent (7%) alcohol by volume at sixty (60) degrees Fahrenheit and which is packaged in a container not larger than three hundred seventy-five (375) milliliters. Such term shall include but not be limited to the beverage popularly known as a "wine cooler";

34. "Mixed beverages" means one or more servings of a beverage composed in whole or part of an alcoholic beverage in a sealed or unsealed container of any legal size for consumption on the premises where served or sold by the holder of a mixed beverage, beer and wine, caterer, public event, charitable event or special event license;

35. "Motion picture theater" means an establishment which is licensed by Section 2-110 of this title to sell alcoholic beverages by the individual drink and where motion pictures are exhibited, and to which the general public is admitted;

36. "Nonresident seller" means any person licensed pursuant to Section 2-135 of this title;

37. "Retail salesperson" means a salesperson soliciting orders from and calling upon retail alcoholic beverage stores with regard to his or her product;

38. "Occupation" as used in connection with "occupation tax" means the sites occupied as the places of business of the manufacturers, wholesalers, beer distributors, retailers, mixed

beverage licensees, on-premises beer and wine licensees, bottle clubs, caterers, public event and special event licensees;

39. "Original package" means any container of alcoholic beverage filled and stamped or sealed by the manufacturer;

40. "Package store" means any sole proprietor or partnership that qualifies to sell wine, beer and/or spirits for ~~off-premise~~ off-premises consumption and that is not a grocery store, convenience store or drug store, or other retail outlet that is not permitted to sell wine or beer for ~~off-premise~~ off-premises consumption;

41. "Patron" means any person, customer or visitor who is not employed by a licensee or who is not a licensee;

42. "Person" means an individual, any type of partnership, corporation, association, limited liability company or any individual involved in the legal structure of any such business entity;

43. "Premises" means the grounds and all buildings and appurtenances pertaining to the grounds including any adjacent premises if under the direct or indirect control of the licensee and the rooms and equipment under the control of the licensee and used in connection with or in furtherance of the business covered by a license. Provided that the ABLE Commission shall have the authority to designate areas to be excluded from the licensed premises solely for the purpose of:

- a. allowing the presence and consumption of alcoholic beverages by private parties which are closed to the general public, or
- b. allowing the services of a caterer serving alcoholic beverages provided by a private party.

This exception shall in no way limit the licensee's concurrent responsibility for any violations of the Oklahoma Alcoholic Beverage Control Act occurring on the licensed premises;

44. "Private event" means a social gathering or event attended by invited guests who share a common cause, membership, business or task and have a prior established relationship. For purposes of this definition, advertisement for general public attendance or sales of tickets to the general public shall not constitute a private event;

45. "Public event" means any event that can be attended by the general public;

46. "Rectifier" means any person who rectifies, purifies or refines spirits or wines by any process (other than by original and continuous distillation, or original and continuous processing, from mash, wort, wash or other substance, through continuous closed vessels and pipes, until the production thereof is complete), and any person who, without rectifying, purifying or refining spirits, shall by mixing (except for immediate consumption on the premises where mixed) such spirits, wine or other liquor with any material, manufactures any spurious, imitation or compound liquors for sale, under the name of whiskey, brandy, rum, gin, wine, spirits, cordials or any other name;

47. "Regulation" or "rule" means a formal rule of general application promulgated by the ABLE Commission as herein required;

48. "Restaurant" means an establishment that is licensed to sell alcoholic beverages by the individual drink for on-premises consumption and where food is prepared and sold for immediate consumption on the premises;

49. "Retail container for spirits and wines" means an original package of any capacity approved by the United States Bureau of Alcohol, Tobacco and Firearms;

50. "Retailer" means a package store, grocery store, convenience store or drug store licensed to sell alcoholic beverages for ~~off-premise~~ off-premises consumption pursuant to a Retail Spirits License, Retail Wine License or Retail Beer License;

51. "Sale" means any transfer, exchange or barter in any manner or by any means whatsoever, and includes and means all sales made by any person, whether as principal, proprietor or as an agent, servant

or employee. The term "sale" is also declared to be and include the use or consumption in this state of any alcoholic beverage obtained within or imported from without this state, upon which the excise tax levied by the Oklahoma Alcoholic Beverage Control Act has not been paid or exempted;

52. "Short-order food" means food other than full meals including but not limited to sandwiches, soups and salads. Provided that popcorn, chips and other similar snack food shall not be considered "short-order food";

53. "Small brewer" means a brewer who manufactures less than twenty-five thousand (25,000) barrels of beer annually pursuant to a validly issued Small Brewer License hereunder;

54. "Small farm wine" means a wine that is produced by a small farm winery with seventy-five percent (75%) or more Oklahoma-grown grapes, berries, other fruits, honey or vegetables;

55. "Small farm winery" means a wine-making establishment that does not annually produce for sale more than fifteen thousand (15,000) gallons of wine as reported on the United States Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau, Report of Wine Premises Operations (TTB Form 5120.17);

56. "Sparkling wine" means champagne or any artificially carbonated wine;

57. "Special event" means an entertainment, recreation or marketing event that occurs at a single location on an irregular basis and at which alcoholic beverages are sold;

58. "Spirits" means any beverage other than wine or beer, which contains more than one-half of one percent (1/2 of 1%) alcohol measured by volume, and obtained by distillation, whether or not mixed with other substances in solution and includes those products known as whiskey, brandy, rum, gin, vodka, liqueurs, cordials and fortified wines and similar compounds, but shall not include any alcohol liquid completely denatured in accordance with the Acts of Congress and regulations pursuant thereto;

59. "Strong beer" means beer which, prior to the effective date of this act, was distributed pursuant to the Oklahoma Alcoholic Beverage Control Act, Section 501 et seq. of Title 37 of the Oklahoma Statutes;

60. "Successor manufacturer" means a primary source of supply, a brewer, a cider manufacturer or an importer that acquires rights to a beer or cider brand from a predecessor manufacturer;

61. "Tax Commission" means the Oklahoma Tax Commission;

62. "Territory" means a geographic region with a specified boundary;

63. "Wine and spirits wholesaler" or "wine and spirits distributor" means and includes any sole proprietorship or partnership licensed to distribute wine and spirits in the state. The term "wholesaler", as used in this act, shall be construed to refer to a wine and spirits wholesaler; ~~and~~

64. "Wine" means and includes any beverage containing more than one-half of one percent (1/2 of 1%) alcohol by volume and not more than twenty-four percent (24%) alcohol by volume at sixty (60) degrees Fahrenheit obtained by the fermentation of the natural contents of fruits, vegetables, honey, milk or other products containing sugar, whether or not other ingredients are added, and includes vermouth and sake, known as Japanese rice wine;

65. "Winemaker" means and includes any person or establishment who manufactures for human consumption any wine upon which a license fee and a tax are imposed by any law of this state; and

66. "Satellite tasting room" means a licensed establishment operated off the licensed premises of the holder of a small farm winery or winemaker license, which serves wine for on-premises or off-premises consumption.

Words in the plural include the singular, and vice versa, and words imparting the masculine gender include the feminine, as well as persons and licensees as defined in this section.

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

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

1. Brewer License..... \$1,250.00
2. Small Brewer License..... \$125.00
3. Distiller License..... \$3,125.00
4. Winemaker License..... \$625.00
5. Small Farm Winery License..... \$75.00
6. Rectifier License..... \$3,125.00
7. Wine and Spirits Wholesaler License..... \$3,000.00
8. Beer Distributor License..... \$750.00
9. The following retail spirits license fees shall be determined by the latest Federal Decennial Census:
 - a. Retail Spirits License for cities and towns from 200 to 2,500 population..... \$305.00
 - b. Retail Spirits License for cities and towns from 2,501 to 5,000 population..... \$605.00
 - c. Retail Spirits License for cities and towns over 5,000 population..... \$905.00
10. Retail Wine License..... \$1,000.00
11. Retail Beer License..... \$500.00
12. Mixed Beverage License..... \$1,005.00

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|-----|---|-------------------|------------|
| | | (initial license) | |
| | | | \$905.00 |
| | | (renewal) | |
| 13. | Mixed Beverage/Caterer Combination License..... | | \$1,250.00 |
| 14. | On-Premises Beer and Wine License..... | | \$500.00 |
| | | (initial license) | |
| | | | \$450.00 |
| | | (renewal) | |
| 15. | Bottle Club License..... | | \$1,000.00 |
| | | (initial license) | |
| | | | \$900.00 |
| | | (renewal) | |
| 16. | Caterer License..... | | \$1,005.00 |
| | | (initial license) | |
| | | | \$905.00 |
| | | (renewal) | |
| 17. | Annual Special Event License..... | | \$55.00 |
| 18. | Quarterly Special Event License..... | | \$55.00 |
| 19. | Hotel Beverage License..... | | \$1,005.00 |
| | | (initial license) | |
| | | | \$905.00 |

| | | |
|-----|---|-------------------|
| | | (renewal) |
| 20. | Airline/Railroad Beverage License..... | \$1,005.00 |
| | | (initial license) |
| | | \$905.00 |
| | | (renewal) |
| 21. | Agent License..... | \$55.00 |
| 22. | Employee License..... | \$30.00 |
| 23. | Industrial License..... | \$23.00 |
| 24. | Carrier License..... | \$23.00 |
| 25. | Private Carrier License..... | \$23.00 |
| 26. | Bonded Warehouse License..... | \$190.00 |
| 27. | Storage License..... | \$23.00 |
| 28. | Nonresident Seller License or Manufacturer's License..... | \$750.00 |
| 29. | Manufacturer's Agent License..... | \$55.00 |
| 30. | Sacramental Wine Supplier License..... | \$100.00 |
| 31. | Charitable Auction License..... | \$1.00 |
| 32. | Charitable Alcoholic Beverage License..... | \$55.00 |
| 33. | Winemaker Self-Distribution License..... | \$750.00 |
| 34. | Annual Public Event License..... | \$1,005.00 |
| 35. | One-Time Public Event License..... | \$255.00 |
| 36. | Small Brewer Self-Distribution License..... | \$750.00 |

- 37. Brewpub License..... \$1,005.00
- 38. Brewpub Self-Distribution License..... \$750.00
- 39. Satellite Tasting Room License..... \$100.00

B. 1. There shall be added to the initial or renewal fees for a Mixed Beverage License an administrative fee, which shall not be deemed to be a license fee, in the amount of Five Hundred Dollars (\$500.00), which shall be paid at the same time and in the same manner as the license fees prescribed by paragraph 10 of subsection A of this section; provided, this fee shall not be assessed against service organizations or fraternal beneficiary societies which are exempt under Section 501(c)(19), (8) or (10) of the Internal Revenue Code.

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

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

1. The license fee for a mixed beverage or bottle club license for those service organizations or fraternal beneficiary societies which are exempt under Section 501(c)(19), (8) or (10) of the Internal Revenue Code shall be Five Hundred Dollars (\$500.00) per year; and

2. The renewal fee for an airline/railroad beverage license held by a railroad described in 49 U.S.C., Section 24301, shall be One Hundred Dollars (\$100.00).

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

E. All licenses, except as otherwise provided, shall be valid for one (1) year from date of issuance unless revoked or

surrendered. Provided, all employee licenses shall be valid for two (2) years.

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

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

1. Nonresident Seller or Manufacturer License..... \$2,500.00
2. Wine and Spirits Wholesaler License..... \$2,500.00
3. Beer Distributor..... \$1,000.00
4. Retail Spirits License for cities and towns
over 5,000 population..... \$250.00
5. Retail Spirits License for cities and towns
from 2,501 to 5,000 population..... \$200.00
6. Retail Spirits License for cities and towns
from 200 to 2,500 population..... \$150.00
7. Retail Wine License..... \$250.00
8. Retail Beer License..... \$250.00
9. Mixed Beverage License..... \$25.00
10. Mixed Beverage/Caterer Combination License..... \$25.00

- 11. Caterer License..... \$25.00
- 12. On-Premises Beer and Wine License..... \$25.00
- 13. Annual Public Event License..... \$25.00
- 14. Small Farm Winery License..... \$25.00
- 15. Small Brewer License..... \$35.00

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

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

SECTION 3. AMENDATORY Section 16, Chapter 366, O.S.L. 2016, as last amended by Section 2, Chapter 315, O.S.L. 2018 (37A O.S. Supp. 2018, Section 2-104), is amended to read as follows:

Section 2-104. A winemaker license shall authorize the holder thereof:

1. To manufacture (including such mixing, blending and cellar treatment as authorized by federal law), bottle, package and store on licensed premises wine containing not more than twenty-four percent (24%) alcohol by volume, provided the bottle or package sizes authorized shall be limited to the capacities approved by the United States Alcohol and Tobacco Tax and Trade Bureau;

2. To sell wine in this state to licensed wholesalers and manufacturers;

3. To sell wine produced at the winery from grapes and other fruits and berries grown in this state, if available, for either on-

premises or off-premises consumption to consumers on the premises of the winery;

4. To serve free samples of wine produced at the winery to visitors twenty-one (21) years of age and older. For purposes of this section, no visitor may sample more than a total of six (6) fluid ounces of wine per day. The winery shall restrict the distribution and consumption of wine samples to an area within the licensed premises designated by the winery. A current floor plan that includes the designated sampling area shall be on file with the ABLE Commission. No visitor under twenty-one (21) years of age shall be permitted to enter the designated sampling area when samples are being distributed and consumed. Samples of wine served by a winery under this section shall not be considered a sale of wine within the meaning of Article ~~XXVIII~~ XXVIII-A of the Oklahoma Constitution or Section 1-103 of this title; provided, such samples of wine shall be considered removed or withdrawn from the winery for use or consumption within the meaning of Section 5-110 of this title for excise tax determination and reporting requirements;

5. To serve free samples of wine produced at the winery at public events such as festivals and trade shows;

6. To sell wine produced at the winery, for either on-premises or off-premises consumption at public events such as festivals and trade shows;

7. To sell wine out of this state to qualified persons;

8. To purchase from licensed winemakers, distillers and rectifiers in this state, and to import into this state wine, brandy and fruit spirits for use in manufacturing in accordance with federal laws and regulations;

9. To sell and serve Oklahoma-manufactured wine, mulled wine, or spiced wine, mixed with nonalcoholic beverages or food items such as water, sugar, fruits and vegetables, at any temperature for either on-premises or off-premises consumption;

10. To purchase beer in retail containers from the holder of a wholesaler, beer distributor, small brewer self-distributor or

brewpub self-distributor license or as specifically provided by law;
~~and~~

11. To sell, offer for sale and possess beer for on-premises consumption; and

12. To establish satellite tasting rooms as defined and authorized in this act where the winemaker's products may be tasted, sampled, sold and served for on-premises consumption and the winemaker is permitted to sell its products in sealed containers; provided, the small farm winery license or winemaker license is active and in good standing. The wine sold at a satellite tasting room must have been produced/manufactured by the holder of a small farm winery license or winemaker license and must have all manufacturing taxes paid.

SECTION 4. AMENDATORY Section 43, Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2018, Section 2-131), is amended to read as follows:

Section 2-131. A. A small farm winery license shall authorize the holder thereof:

1. To manufacture and bottle wines produced by that small farm winery; ~~and~~

2. To bottle and sell wines produced by another small farm winery. In order for a small farm winery to bottle and sell another small farm winery's products, both the selling winery and the buying winery shall be small farm winery permit holders;

3. To establish satellite tasting rooms as defined and authorized in this act where the winemaker's products may be tasted, sampled, sold and served for on-premises consumption and the winemaker is permitted to sell its products in sealed containers; provided, the small farm winery license is active and in good standing. The wine sold at a satellite tasting room must have been produced/manufactured by the holder of a small farm winery license and must have all manufacturing taxes paid; and

4. The small farm winery licensee shall have the same authority as the winemaker licensee.

B. A small farm wine may display the trademarked "Oklahoma Grown" sticker available from the Oklahoma Grape Industry Council.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-159 of Title 37A, unless there is created a duplication in numbering, reads as follows:

A satellite tasting room license shall authorize the holder of a small farm winery license or winemaker license to operate no more than two satellite locations in addition to his or her licensed premises for the purpose of providing tastings, samples and retail sales for on-premises or off-premises consumption to consumers over twenty-one (21) years of age; provided the wine tasted, sampled or sold shall have been produced/manufactured by the holder of a small farm winery or winemaker license and shall have all manufacturing taxes paid.

The holder of a small farm winery license or winemaker license must obtain approval for each satellite location from the city, town or municipality before submitting the application to the ABLE Commission. The fee for licensing each satellite location will be One Hundred Dollars (\$100.00) annually.

The small farm winery licensee or winemaker licensee operating a satellite tasting room must keep such license in good standing and is liable for any violation committed on the premises of its satellite tasting rooms. Employees and managers of the satellite tasting room must be trained in alcohol handling, laws and regulations and hold a current alcohol servers license and must be over twenty-one (21) years of age.

For purposes of this section, the term "tasting or tastings" means the serving of free samples of the winemaker's products not to exceed more than a total of six (6) fluid ounces of wine per person aged twenty-one (21) years or older per day, or the serving of the winemaker's products by individual drink purchased by the consumer for on-premises consumption, or the retail sale of the winemaker's products in sealed containers to an on-premises customer for off-premises consumption, or any combination thereof.

SECTION 6. This act shall become effective November 1, 2019.

Passed the Senate the 14th day of May, 2019.

Presiding Officer of the Senate

Passed the House of Representatives the 23rd day of April, 2019.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____