1	HOUSE OF REPRESENTATIVES - FLOOR VERSION
2	STATE OF OKLAHOMA
3	1st Session of the 55th Legislature (2015)
4	ENGROSSED SENATE
5	BILL NO. 424 By: Crain of the Senate
6	and
7	Williams and Virgin of the House
8	
9	
10	[ intoxicating liquors - acts authorized by licensees - sale of beer to consumer on premises - <del>effective</del>
11	<del>date</del> -
12	emergency ]
13	
14	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
15	SECTION 1. AMENDATORY 37 O.S. 2011, Section 521, as last
16	amended by Section 4, Chapter 298, O.S.L. 2014 (37 O.S. Supp. 2014,
17	Section 521), is amended to read as follows:
18	Section 521. A. A brewer license shall authorize the holder
19	thereof: To manufacture, bottle, package, and store beer on
20	licensed premises; to sell beer in this state to holders of Class B
21	wholesaler licenses and retail licenses and to sell beer out of this
22	state to qualified persons; to sell beer produced by the licensee to
23	consumers twenty-one (21) years of age or older on the premises of
24	the brewery; and to serve free samples of beer produced by the
1	SB424 HFLR Page 1

1 licensee to visitors twenty-one (21) years of age or older. For purposes of this section, no visitor may sample more than a total of 2 3 twelve (12) fluid ounces of beer per day. The brewer must restrict the distribution and consumption of beer samples to an area within 4 5 the licensed premises designated by the brewer. A current floor plan that includes the designated sampling area must be on file with 6 7 the Oklahoma Alcoholic Beverage Laws Enforcement (ABLE) Commission. No visitor under twenty-one (21) years of age shall be permitted to 8 9 enter this designated sampling area when samples are being distributed or consumed. Samples and sales may only be distributed 10 or consumed between ten a.m. and nine p.m. 11 Samples and sales of 12 beer made or served by a brewery under this section shall not be considered a "sale" of beer within the meaning of Article XXVIII of 13 the Oklahoma Constitution or Section 506 of this title; however, 14 15 such samples and sales of beer shall be considered beer removed or withdrawn from the brewery for "use or consumption" within the 16 meaning of Section 542 of this title for excise tax determination 17 and reporting requirements. 18

B. A distiller license shall authorize the holder thereof: To
manufacture, bottle, package, and store spirits on licensed
premises; to sell spirits in this state to licensed wholesalers and
manufacturers only; to sell spirits out of this state to qualified
persons; to purchase from licensed distillers and rectifiers in this

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state, and import spirits from without this state for manufacturing
 purposes in accordance with federal laws and regulations.

C. A winemaker license shall authorize the holder thereof: To 3 manufacture (including such mixing, blending and cellar treatment as 4 5 authorized by federal law), bottle, package, and store on licensed premises wine containing not more than twenty-four percent (24%) 6 7 alcohol by volume, provided the bottle or package sizes authorized shall be limited to the capacities approved by the United States 8 9 Alcohol and Tobacco Tax and Trade Bureau; to sell wine in this state 10 to licensed wholesalers and manufacturers; to sell bottles of wine 11 produced at the winery from grapes and other fruits and berries 12 grown in this state, if available, to consumers on the premises of the winery; to serve visitors on the licensed premises samples of 13 wine produced on the premises; to serve samples of wine produced at 14 15 the winery at festivals and trade shows; to sell wine produced at the winery, in original sealed containers, at festivals and trade 16 shows; to sell wine out of this state to qualified persons; to 17 purchase from licensed winemakers, distillers and rectifiers in this 18 state, and to import into this state wine, brandy and fruit spirits 19 for use in manufacturing in accordance with federal laws and 20 regulations; provided, a winemaker either within or without this 21 state that annually produces no more than ten thousand (10,000) 22 gallons of wine may elect to sell and self-distribute the wine 23

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<u>UNDERLINED</u> language denotes Amendments to present Statutes. BOLD FACE CAPITALIZED language denotes Committee Amendments. Strike thru language denotes deletion from present Statutes. Page 3

1 produced by such winemaker directly to licensed retail package 2 stores and restaurants in this state; and provided further that:

3 Any such winemaker which elects to directly sell its wine to 1. package stores and restaurants shall not also use a licensed 4 wholesale distributor as a means of distribution, and shall be 5 required to sell its wines to every package store and restaurant 6 7 licensee who desires to purchase the same, on the same price basis and without discrimination; 8

9 2. If a winemaker or winery sells directly to a retail package store or restaurant, the winemaker shall transport the wine from the 10 11 winemaker's winery to the premises where the wine is to be delivered 12 only in vehicles owned or leased by the winemaker and not by common or private contract carrier and shall obtain all necessary permits 13 as required by the Oklahoma Alcoholic Beverage Control Act; and 14

3. If the production volume limit applicable to winemakers is 15 ruled to be unconstitutional by a court of competent jurisdiction, 16 then no winemaker shall be permitted to directly sell its wine to 17 retail package stores or restaurants in this state. 18

D. A winemaker self-distribution license shall authorize a 19 licensed winemaker within or without this state which is permitted 20 by Section 3 of Article XXVIII of the Oklahoma Constitution and 21 subsection C of this section, to distribute its wine directly to 22 retail package stores and restaurants in this state and that elects 23 24 to do so, to sell and deliver its wines directly to licensed retail SB424 HFLR

1 package stores and restaurants in this state in full case lots only, and in accordance with the provisions of the Oklahoma Alcoholic 2 3 Beverage Control Act and such rules as the ABLE Commission shall adopt. 4

5 E. A rectifier license shall authorize the holder thereof: To rectify spirits and wines, bottle, package, and store same on the 6 7 licensed premises; to sell spirits and wines in this state to licensed wholesalers and manufacturers only; to sell spirits and 8 9 wines out of this state to qualified persons; to purchase from 10 licensed manufacturers in this state; and to import into this state for manufacturing purposes spirits and wines in accordance with 11 12 federal laws and regulations.

F. 1. A wholesaler license shall authorize the holder thereof: 13 To purchase and import into this state spirits and wines from 14 15 persons authorized to sell same who are the holders of a nonresident 16 seller license, and their agents who are the holders of manufacturers agent licenses; to purchase spirits and wines from 17 licensed distillers, rectifiers and winemakers in this state; to 18 purchase spirits and wines from licensed wholesalers, to the extent 19 set forth in paragraphs 2 and 3 of this subsection; to sell in 20 retail containers in this state to retailers, mixed beverage, 21 caterer, special event, public event, hotel beverage or 22 airline/railroad beverage licensees, spirits and wines which have 23 been received and unloaded at the bonded warehouse facilities of the 24 SB424 HFLR

wholesaler before such sale; to sell to licensed wholesalers, to the 1 extent set forth in paragraphs 2 and 3 of this subsection, spirits 2 and wines which have been received and unloaded at the bonded 3 warehouse facilities of the wholesaler before such sale; and to sell 4 5 spirits and wines out of this state to qualified persons. Provided, however, sales of spirits and wine in containers with a capacity of 6 less than one-twentieth (1/20) gallon by a holder of a wholesaler 7 license shall be in full case lots and in the original unbroken 8 9 case. Wholesalers shall be authorized to place such signs outside their place of business as are required by Acts of Congress and by 10 11 such laws and regulations promulgated under such Acts.

12 2. Wholesalers are prohibited from purchasing annually in excess of fifteen percent (15%) of their total spirits inventory and 13 fifteen percent (15%) of their total wine inventory from one or more 14 15 wholesalers. Wholesalers are also prohibited from purchasing 16 annually in excess of fifteen percent (15%) of their inventory of any individual brand of spirits or wine from one or more 17 wholesalers. The volume of spirits and wine and of each brand that 18 each wholesaler is permitted to purchase annually from other 19 wholesalers shall be calculated by the ABLE Commission by 20 multiplying fifteen percent (15%) by: 21

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a. the total volume of spirits sales of the wholesaler,by liter, from the previous calendar year, and

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b. the total volume of wine sales of the wholesaler, by
liter, from the previous calendar year, and
c. the volume of sales of each brand of spirits or wine
of the wholesaler, by liter, from the previous
calendar year.

A wholesaler who did not post any sales of spirits, wine or of a 6 particular brand in the previous calendar year shall be deemed to 7 have sold the same volume of spirits, wine or of a particular brand 8 9 as the wholesaler posting the smallest volumes of sales in spirits, wine or of a particular brand for that year for the purposes of this 10 11 paragraph. Notwithstanding the foregoing, wholesalers shall not 12 purchase any inventory in spirits or wine from any other wholesaler until such time that the purchasing wholesaler possesses an 13 inventory valued at no less than Two Hundred Fifty Thousand Dollars 14 15 (\$250,000.00). Inventory valuation shall be based on the original 16 actual price paid by the purchasing wholesaler to the nonresident seller for the inventory. 17

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

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

5. All licensed wholesalers shall register prices, purchase and 6 7 keep on hand or have on order a fifteen-day supply of all brands constituting the top eighteen brands in total sales by all Oklahoma 8 9 wholesalers during the past twelve-month period, according to the 10 records of the ABLE Commission as revised by the ABLE Commission 11 quarterly; provided, however, that not more than three brands of any 12 particular nonresident seller shall be included in the top-brands classification. All purchase orders for these top eighteen brands 13 must show an expected due delivery date. These purchase orders may 14 15 only be canceled with prior approval of the Director of the ABLE Commission, unless a wholesaler shall have in its warehouse a 16 fifteen-day supply of merchandise on such purchase order. 17

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

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1 A fifteen-day supply of a particular brand for a particular 2 wholesaler shall be based upon the market share of the wholesaler, 3 determined by first multiplying the total number of liters of such brand sold by all wholesalers to all retailers during the previous 4 5 calendar year by the percentage that the total sales of wine and spirits of the particular wholesaler, in liters, for such calendar 6 year bears to the total sales of wine and spirits, in liters, 7 reported by all wholesalers for such calendar year; and then 8 9 dividing by twenty-four (24); provided, that a fifteen-day supply 10 for a wholesaler who has not been in business for the entirety of 11 the previous calendar year shall be deemed to be equal to that of 12 the wholesaler who was in business for the entirety of the previous calendar year and who reported the lowest volume of sales of wine 13 and spirits, in liters, of any wholesaler having been in business 14 for such period. 15

G. A Class B wholesaler license shall authorize the holder 16 thereof: To purchase and import into this state beer from persons 17 authorized to sell same who are the holders of nonresident seller 18 licenses, and their agents who are the holders of manufacturers 19 agent licenses; to purchase beer from licensed brewers and Class B 20 wholesalers in this state; to sell in retail containers to 21 retailers, mixed beverage, caterer, special event, public event, 22 hotel beverage and airline/railroad beverage licensees in this 23 state, beer which has been unloaded and stored at the holder's self-24 SB424 HFLR

1 owned or leased and self-operated warehouse facilities for a period 2 of at least twenty-four (24) hours before such sale; and to sell beer in this state to Class B wholesalers and out of this state to 3 qualified persons, including federal instrumentalities and voluntary 4 5 associations of military personnel on federal enclaves in this state over which this state has ceded jurisdiction. 6

A package store license shall authorize the holder thereof: 7 Η. To purchase alcohol, spirits, beer and wine in retail containers 8 9 from the holder of a brewer, wholesaler or Class B wholesaler license and to purchase wine from a winemaker who is permitted and 10 11 has elected to self-distribute as provided in Section 3 of Article 12 XXVIII of the Oklahoma Constitution and to sell same on the licensed premises in such containers to consumers for off-premises 13 consumption only and not for resale; provided, wine may be sold to 14 15 charitable organizations that are holders of charitable auction or charitable wine event licenses. All alcoholic beverages that are 16 sold by a package store are to be sold at ordinary room temperature. 17 A mixed beverage license shall authorize the holder thereof: I. 18 To purchase alcohol, spirits, beer or wine in retail containers from 19 the holder of a wholesaler or Class B wholesaler license or as 20 specifically provided by law and to sell, offer for sale and possess 21 mixed beverages for on-premises consumption only; provided, the 22 holder of a mixed beverage license issued for an establishment which 23 24 is also a restaurant may purchase wine directly from a winemaker who SB424 HFLR Page 10

is permitted and has elected to self-distribute as provided in
 Section 3 of Article XXVIII of the Oklahoma Constitution.

3 Sales and service of mixed beverages by holders of mixed beverage licenses shall be limited to the licensed premises of the 4 licensee unless the holder of the mixed beverage license also 5 obtains a caterer license or a mixed beverage/caterer combination 6 7 license. A mixed beverage license shall only be issued in counties of this state where the sale of alcoholic beverages by the 8 9 individual drink for on-premises consumption has been authorized. Α separate license shall be required for each place of business. No 10 11 mixed beverage license shall be issued for any place of business 12 functioning as a motion picture theater, as defined by Section 506 of this title. 13

A bottle club license shall authorize the holder thereof: To J. 14 store, possess and mix alcoholic beverages belonging to members of 15 16 the club and to serve such alcoholic beverages for on-premises consumption to club members. A bottle club license shall only be 17 issued in counties of this state where the sale of alcoholic 18 beverages by the individual drink for on-premises consumption has 19 not been authorized. A separate license shall be required for each 20 place of business. 21

K. A caterer license shall authorize the holder thereof: To sell mixed beverages for on-premises consumption incidental to the sale or distribution of food at particular functions, occasions, or sB424 HFLR Page 11

events which are temporary in nature. A caterer license shall not be issued in lieu of a mixed beverage license. A caterer license shall only be issued in counties of this state where the sale of alcoholic beverages by the individual drink for on-premises consumption has been authorized. A separate license shall be required for each place of business.

7 L. An annual special event license shall authorize the 1. holder thereof: To sell and distribute mixed beverages for 8 9 consumption on the premises for which the license has been issued 10 for up to four events to be held over a period not to exceed one (1) 11 year, not to exceed two such events in any three-month period. For 12 purposes of this paragraph, an event shall not exceed a period of ten (10) consecutive days. An annual special event license shall 13 only be issued in counties of this state where the sale of alcoholic 14 15 beverages by the individual drink for on-premises consumption has been authorized. The holder of an annual special event license 16 shall provide written notice to the ABLE Commission of each special 17 event not less than ten (10) days before the event is held. 18

19 2. A quarterly special event license shall authorize the holder 20 thereof: To sell and distribute mixed beverages for consumption on 21 the premises for which the license has been issued for up to three 22 events to be held over a period not to exceed three (3) months. For 23 purposes of this paragraph, an event shall not exceed a period of 24 ten (10) consecutive days. A quarterly special event license shall 25 set 24 HELR Page 12

only be issued in counties of this state where the sale of alcoholic beverages by the individual drink for on-premises consumption has been authorized. The holder of a quarterly special event license shall provide written notice to the ABLE Commission of each special event not less than ten (10) days before the event is held.

3. An annual public event license shall authorize the holder 6 7 thereof: to sell and distribute mixed beverages for consumption on the premises for which the license has been issued for up to six 8 9 events to be held over a period not to exceed one (1) calendar year. For purposes of this paragraph, an event shall not exceed a period 10 11 of three (3) consecutive days. An annual public event license shall 12 only be issued in counties of this state where the sale of alcoholic beverages by the individual drink for on-premises consumption has 13 been authorized. The holder of an annual public event license shall 14 15 provide written notice to the ABLE Commission of each promoted public event not less than ten (10) days before the event is held. 16 A public event license shall not be used in lieu of a mixed beverage 17 license. 18

A one-time public event license shall authorize the holder
 thereof: to sell and distribute mixed beverages for consumption on
 the premises for which the license has been issued. For purposes of
 this paragraph, an event shall not exceed a period of three (3)
 consecutive days. A public event license shall only be issued in
 counties of this state where the sale of alcoholic beverages by the
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1 individual drink for on-premises consumption has been authorized. 2 The holder of a public event license shall provide written notice to 3 the ABLE Commission of each public event not less than ten (10) days before the event is held. A public event license shall not be used 4 5 in lieu of a mixed beverage license.

A hotel beverage license shall authorize the holder thereof: 6 М. 7 To sell or serve alcoholic beverages in 50 milliliter spirits, 187 milliliter wine, and 12-ounce malt beverage containers which are 8 9 distributed from a hotel room mini-bar. A hotel beverage license 10 shall only be issued in counties of this state where the sale of 11 alcoholic beverages by the individual drink for on-premises 12 consumption has been authorized. A hotel beverage license shall only be issued to a hotel or motel as defined by Section 506 of this 13 title which is also the holder of a mixed beverage license. 14 Provided, that application may be made simultaneously for both such 15 16 licenses. A separate license shall be required for each place of business. 17

An airline/railroad beverage license shall authorize the Ν. 18 holder thereof: To sell or serve alcoholic beverages in or from any 19 size container on a commercial passenger airplane or railroad 20 operated in compliance with a valid license, permit or certificate 21 issued under the authority of the United States or this state, even 22 though the airplane or train, in the course of its travel, may cross 23 24 an area in which the sale of alcoholic beverages by the individual SB424 HFLR

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

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

P. An employee license shall authorize the holder thereof: To work in a package store, mixed beverage establishment, bottle club, public event or any establishment where alcohol or alcoholic

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1 beverages are sold, mixed, or served. Persons employed by a mixed 2 beverage licensee, public event licensee or a bottle club who do not 3 participate in the service, mixing, or sale of mixed beverages shall not be required to have an employee license. Provided, however, 4 5 that a manager employed by a mixed beverage licensee, public event licensee or a bottle club shall be required to have an employee 6 7 license whether or not the manager participates in the service, mixing or sale of mixed beverages. Applicants for an employee 8 9 license must have a health card issued by the county in which they are employed, if the county issues such a card. Employees of 10 11 special event, caterer or airline/railroad beverage licensees shall 12 not be required to obtain an employee license. Persons employed by a hotel licensee who participate in the stocking of hotel room mini-13 bars or in the handling of alcoholic beverages to be placed in such 14 15 devices shall be required to have an employee license. 16 Q. An industrial license may be issued to persons desiring to import, transport, and use alcohol for the following purposes: 17 Manufacture of patent, proprietary, medicinal, 1. 18 pharmaceutical, antiseptic, and toilet preparations; 19

Manufacture of extracts, syrups, condiments, and food
 products; and

3. For use in scientific, chemical, mechanical, industrial, andmedicinal products and purposes.

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1 No other provisions of the Oklahoma Alcoholic Beverage Control 2 Act shall apply to alcohol intended for industrial, medical, 3 mechanical, or scientific use.

Any person receiving alcohol under authority of an industrial 4 5 license who shall use, permit, or cause same to be used for purposes other than authorized purposes specified above, and all such 6 alcohol, shall be liable to all provisions of the Oklahoma Alcoholic 7 Beverage Control Act, including payment of tax thereon. 8

9 No provisions of the Oklahoma Alcoholic Beverage Control Act shall apply to alcohol withdrawn by any person free of federal tax 10 11 under a tax-free permit issued by the United States government, if 12 such alcohol is received, stored, and used as authorized by federal laws. 13

A carrier license may be issued to any common carrier R. 14 operating under a certificate of convenience and necessity issued by 15 any duly authorized federal or state regulatory agency. Such 16 license shall authorize the holder thereof to transport alcoholic 17 beverages other than wine sold directly by a winemaker or winery to 18 a retail package store or restaurant into, within, and out of this 19 state under such terms, conditions, limitations, and restrictions as 20 the ABLE Commission may prescribe by order issuing such license and 21 by regulations. 22

S. A private carrier license may be issued to any carrier other 23 than a common carrier described in subsection Q of this section. 24 SB424 HFLR

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

No carrier license or private carrier license shall be required 14 15 of the holder of a package store, mixed beverage, caterer, special event, hotel beverage, public event or airline/railroad license to 16 pick up alcoholic beverage orders from the licensees' wholesaler or 17 Class B wholesaler from whom they are purchased, and to transport 18 such alcoholic beverages from the place of purchase or acquisition 19 to the licensed premise of such licensees in vehicles owned or under 20 the control of such licensee or a licensed employee of such licensee 21 under such terms, conditions, limitations and restrictions as the 22 ABLE Commission may prescribe. 23

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1 T. A bonded warehouse license shall authorize the holder 2 thereof: To receive and store alcoholic beverages for the holders of 3 storage licenses on the licensed premises of the bonded warehouse No goods, wares or merchandise other than alcoholic 4 licensee. 5 beverages may be stored in the same bonded warehouse with alcoholic beverages. The holder of a bonded warehouse license shall furnish 6 7 and file with the ABLE Commission a bond running to all bailers of alcoholic beverages under proper storage licenses and their 8 9 assignees (including mortgagees or other bona fide lienholders) 10 conditioned upon faithful performance of the terms and conditions of such bailments. 11

12 U. A storage license may be issued to a holder of a brewer, distiller, winemaker, rectifier, wholesaler, Class B wholesaler, 13 nonresident seller, package store, mixed beverage, caterer, public 14 event or hotel beverage license, and shall authorize the holder 15 thereof: To store alcoholic beverages in a public warehouse holding 16 a bonded warehouse license, and no goods, wares or merchandise other 17 than alcoholic beverages may be stored in the same warehouse with 18 alcoholic beverages in private warehouses owned or leased and 19 operated by such licensees elsewhere than on their licensed 20 premises. Provided: 21

1. A storage license issued to a Class B wholesaler shall 22 permit the storage of light beer and permit the sale and delivery to 23 24 retailers from the premises covered by such license; SB424 HFLR

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

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

10 and

11 5. Notwithstanding the provisions of subsection I of this 12 section or any other provision of this title, a licensee who wholly owns more than one licensed mixed beverage establishment may store 13 alcoholic beverages for each of the licensed establishments in one 14 15 location under one storage license. Alcoholic beverages purchased 16 and stored pursuant to the provisions of a storage license, for one licensed mixed beverage establishment may be transferred by a 17 licensee to another licensed mixed beverage establishment which is 18 wholly owned by the same licensee. Notice of such a transfer shall 19 be given in writing to the Oklahoma Tax Commission and the ABLE 20 Commission within three (3) business days of the transfer. 21 The notice shall clearly show the quantity, brand and size of every 22 transferred bottle or case. 23

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1 V. A sacramental wine supplier license shall authorize the 2 holder thereof: To sell, ship or deliver sacramental wine to any 3 religious corporation or society of this state holding a valid exemption from taxation issued pursuant to Section 501(a) of the 4 5 Internal Revenue Code, 1986, and listed as an exempt organization in Section 501(c)(3) of the Internal Revenue Code, 1986, of the United 6 States, as amended. 7

A beer and wine license shall authorize the holder thereof: 8 W. 9 To purchase beer and wine in retail containers from the holder of a 10 wholesaler or Class B wholesaler license or as specifically provided 11 by law and to sell, offer for sale and possess beer and wine for on-12 premises consumption only; provided, the holder of a beer and wine license issued for an establishment which is also a restaurant may 13 purchase wine from a winemaker who is permitted and has elected to 14 15 self-distribute as provided in Section 3 of Article XXVIII of the Oklahoma Constitution. 16

Sales and service of beer and wine by holders of beer and wine 17 licenses shall be limited to the licensed premises of the licensee 18 unless the holder of the beer and wine license also obtains a 19 caterer license. A beer and wine license shall only be issued in 20 counties of this state where the sale of alcoholic beverages by the 21 individual drink for on-premises consumption has been authorized. A 22 separate license shall be required for each place of business. 23 No 24 beer and wine license shall be issued for any place of business SB424 HFLR

1 functioning as a motion picture theater, as defined by Section 506 2 of this title. No spirits shall be stored, possessed or consumed on 3 the licensed premises of a beer and wine licensee.

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

1. Bid sheets are accepted from interested bidders at the 14 15 event;

2. The holders of tickets are allowed to bid online for a 16 period not exceeding thirty (30) days prior to the event; or 17 Both bid sheets are accepted at the event and online bids 3. 18 are accepted pursuant to paragraph 2 of this subsection. 19

A charitable alcoholic beverage event shall be conducted solely 20 to raise funds for charitable purposes. A charitable alcoholic 21 beverage license will allow the event attendees access to tastings, 22 samples, dinners and alcoholic beverages as parts of their entrance 23 24 fee or ticket price. Wine, spirits and/or beer used in, served, or SB424 HFLR Page 22

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

Y. A mixed beverage/caterer combination license shall authorize 23 24 the holder thereof: To purchase or sell mixed beverages as SB424 HFLR Page 23

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

In the event any portion of this section is declared invalid 11 Ζ. 12 for any reason, the invalid portion shall be severed and the rest and remainder of the section shall be saved and given full force and 13 application. 14

AA. Except as provided in Sections 554.1 and 554.2 of this 15 16 title with respect to cities, towns and counties, and except as may be provided under Title 68 of the Oklahoma Statutes with respect to 17 the Oklahoma Tax Commission, no license or permit other than 18 licenses as provided under the Oklahoma Alcoholic Beverage Control 19 Act shall be required of any licensee by any agency, instrumentality 20 or political subdivision of this state to engage in any activity 21 covered by the Oklahoma Alcoholic Beverage Control Act anywhere 22 within the State of Oklahoma and no agency, instrumentality or 23 political subdivision of this state shall interfere with the ABLE 24 SB424 HFLR

1	Commission's regulation of, or a wholesaler's performance of, the
2	sale, distribution, possession, handling or marketing of alcoholic
3	beverages on any premises of any licensee as defined in Section 506
4	of this title.
5	SECTION 2. This act shall become effective July 1, 2015.
6	SECTION 3. It being immediately necessary for the preservation
7	of the public peace, health and safety, an emergency is hereby
8	declared to exist, by reason whereof this act shall take effect and
9	be in full force from and after its passage and approval.
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11	COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO, AND CONTROLLED
12	SUBSTANCES, dated 04/09/2015 - DO PASS, As Amended and Coauthored.
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