

1 STATE OF OKLAHOMA

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

3 2ND CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 SENATE BILL 424

By: Crain of the Senate

and

6 Williams and Virgin of the
7 House

8
9
10 2ND CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to intoxicating liquors; amending 37
12 O.S. 2011, Section 521, as last amended by Section 17
13 of Enrolled House Bill No. 3201 of the 2nd Session of
14 the 55th Oklahoma Legislature, which relates to acts
15 authorized by licensees; allowing sale of beer to
16 consumer on premises of brewery; modifying language;
17 providing an effective date; and declaring an
18 emergency.

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

20 SECTION 1. AMENDATORY 37 O.S. 2011, Section 521, as last
21 amended by Section 17 of Enrolled House Bill No. 3201 of the 2nd
22 Session of the 55th Oklahoma Legislature, is amended to read as
23 follows:

24 Section 521. A. A brewer license shall authorize the holder
thereof: To manufacture, bottle, package, and store beer on
licensed premises; to sell beer in this state to holders of Class B

1 wholesaler licenses and retail licenses and to sell beer out of this
2 state to qualified persons; to sell beer produced by the licensee to
3 consumers twenty-one (21) years of age or older on the premises of
4 the brewery; and to serve free samples of beer produced by the
5 licensee to visitors twenty-one (21) years of age or older. For
6 purposes of this section, no visitor may sample more than a total of
7 twelve (12) fluid ounces of beer per day. The brewer must restrict
8 the distribution and consumption of beer samples to an area within
9 the licensed premises designated by the brewer. A current floor
10 plan that includes the designated sampling area must be on file with
11 the Oklahoma Alcoholic Beverage Laws Enforcement (ABLE) Commission.
12 No visitor under twenty-one (21) years of age shall be permitted to
13 enter this designated sampling area when samples are being
14 distributed or consumed. Samples and sales may only be distributed
15 or consumed between 10:00 a.m. and 9:00 p.m. Samples and sales of
16 beer made or served by a brewery under this section shall not be
17 considered a "sale" of beer within the meaning of Article XXVIII of
18 the Oklahoma Constitution or Section 506 of this title; however,
19 such samples and sales of beer shall be considered beer removed or
20 withdrawn from the brewery for "use or consumption" within the
21 meaning of Section 542 of this title for excise tax determination
22 and reporting requirements.

23 B. A distiller license shall authorize the holder thereof: To
24 manufacture, bottle, package, and store spirits on licensed

1 premises; to sell spirits in this state to licensed wholesalers and
2 manufacturers only; to sell spirits out of this state to qualified
3 persons; to purchase from licensed distillers and rectifiers in this
4 state, and import spirits from without this state for manufacturing
5 purposes in accordance with federal laws and regulations.

6 C. A winemaker license shall authorize the holder thereof: To
7 manufacture (including such mixing, blending and cellar treatment as
8 authorized by federal law), bottle, package, and store on licensed
9 premises wine containing not more than twenty-four percent (24%)
10 alcohol by volume, provided the bottle or package sizes authorized
11 shall be limited to the capacities approved by the United States
12 Alcohol and Tobacco Tax and Trade Bureau; to sell wine in this state
13 to licensed wholesalers and manufacturers; to sell bottles of wine
14 produced at the winery from grapes and other fruits and berries
15 grown in this state, if available, to consumers on the premises of
16 the winery; to serve visitors on the licensed premises samples of
17 wine produced on the premises; to serve samples of wine produced at
18 the winery at festivals and trade shows; to sell wine produced at
19 the winery, in original sealed containers, at festivals and trade
20 shows; to sell wine out of this state to qualified persons; to
21 purchase from licensed winemakers, distillers and rectifiers in this
22 state, and to import into this state wine, brandy and fruit spirits
23 for use in manufacturing in accordance with federal laws and
24 regulations; provided, a winemaker either within or without this

1 state that annually produces no more than ten thousand (10,000)
2 gallons of wine may elect to sell and self-distribute the wine
3 produced by such winemaker directly to licensed retail package
4 stores and restaurants in this state; and provided further that:

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

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

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

21 D. A winemaker self-distribution license shall authorize a
22 licensed winemaker within or without this state which is permitted
23 by Section 3 of Article XXVIII of the Oklahoma Constitution and
24 subsection C of this section, to distribute its wine directly to

1 retail package stores and restaurants in this state and that elects
2 to do so, to sell and deliver its wines directly to licensed retail
3 package stores and restaurants in this state in full case lots only,
4 and in accordance with the provisions of the Oklahoma Alcoholic
5 Beverage Control Act and such rules as the ABLE Commission shall
6 adopt.

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

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

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

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

24

- a. the total volume of spirits sales of the wholesaler, by liter, from the previous calendar year, and
- 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 particular brand in the previous calendar year shall be deemed to have sold the same volume of spirits, wine or of a particular brand 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 paragraph. Notwithstanding the foregoing, wholesalers shall not purchase any inventory in spirits or wine from any other wholesaler until such time that the purchasing wholesaler possesses an inventory valued at no less than Two Hundred Fifty Thousand Dollars (\$250,000.00). Inventory valuation shall be based on the original actual price paid by the purchasing wholesaler to the nonresident seller for the inventory.

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

1 business of a wholesaler, including the inventory of spirits and
2 wine.

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

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

20 In order to allow the ABLE Commission to determine the top
21 eighteen brands, wholesalers must submit to the ABLE Commission
22 every sixty (60) days a sworn affidavit listing their top twenty-
23 five brands in sales for the previous sixty (60) days, excluding
24

1 sales to wholesalers. Such affidavits shall be submitted in
2 conjunction with the original price postings of wholesalers.

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

18 G. A Class B wholesaler license shall authorize the holder
19 thereof: To purchase and import into this state beer from persons
20 authorized to sell same who are the holders of nonresident seller
21 licenses, and their agents who are the holders of manufacturers
22 agent licenses; to purchase beer from licensed brewers and Class B
23 wholesalers in this state; to sell in retail containers to
24 retailers, mixed beverage, caterer, special event, public event,

1 hotel beverage, and airline/railroad beverage licensees in this
2 state, beer which has been unloaded and stored at the holder's self-
3 owned or leased and self-operated warehouse facilities for a period
4 of at least twenty-four (24) hours before such sale; and to sell
5 beer in this state to Class B wholesalers and out of this state to
6 qualified persons, including federal instrumentalities and voluntary
7 associations of military personnel on federal enclaves in this state
8 over which this state has ceded jurisdiction.

9 H. A package store license shall authorize the holder thereof:
10 To purchase alcohol, spirits, beer, and wine in retail containers
11 from the holder of a brewer, wholesaler or Class B wholesaler
12 license and to purchase wine from a winemaker who is permitted and
13 has elected to self-distribute as provided in Section 3 of Article
14 XXVIII of the Oklahoma Constitution and to sell same on the licensed
15 premises in such containers to consumers for off-premises
16 consumption only and not for resale; provided, wine, beer, and
17 spirits may be sold to charitable organizations that are holders of
18 charitable alcoholic beverage auction or charitable alcoholic
19 beverage event licenses. All alcoholic beverages that are sold by a
20 package store are to be sold at ordinary room temperature.

21 I. A mixed beverage license shall authorize the holder thereof:
22 To purchase alcohol, spirits, beer or wine in retail containers from
23 the holder of a wholesaler or Class B wholesaler license or as
24 specifically provided by law and to sell, offer for sale and possess

1 mixed beverages for on-premises consumption only; provided, the
2 holder of a mixed beverage license issued for an establishment which
3 is also a restaurant may purchase wine directly from a winemaker who
4 is permitted and has elected to self-distribute as provided in
5 Section 3 of Article XXVIII of the Oklahoma Constitution.

6 Sales and service of mixed beverages by holders of mixed
7 beverage licenses shall be limited to the licensed premises of the
8 licensee unless the holder of the mixed beverage license also
9 obtains a caterer license or a mixed beverage/caterer combination
10 license. A mixed beverage license shall only be issued in counties
11 of this state where the sale of alcoholic beverages by the
12 individual drink for on-premises consumption has been authorized. A
13 separate license shall be required for each place of business. No
14 mixed beverage license shall be issued for any place of business
15 functioning as a motion picture theater, as defined by Section 506
16 of this title. A mixed beverage licensee whose main purpose is
17 hosting live performance art presentations may utilize the services
18 of a licensed caterer for its alcoholic beverage service as long as
19 it is not open to the public more than one hundred twenty (120) days
20 per year.

21 J. A bottle club license shall authorize the holder thereof: To
22 store, possess and mix alcoholic beverages belonging to members of
23 the club and to serve such alcoholic beverages for on-premises
24 consumption to club members. A bottle club license shall only be

1 issued in counties of this state where the sale of alcoholic
2 beverages by the individual drink for on-premises consumption has
3 not been authorized. A separate license shall be required for each
4 place of business.

5 K. A caterer license shall authorize the holder thereof: To
6 sell mixed beverages for on-premises consumption incidental to the
7 sale or distribution of food at particular functions, occasions, or
8 events which are private and temporary in nature. A caterer license
9 shall not be issued in lieu of a mixed beverage license. A caterer
10 license shall only be issued or utilized in counties of this state
11 where the sale of alcoholic beverages by the individual drink for
12 on-premises consumption has been authorized. A separate license
13 shall be required for each place of business.

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

21 L. 1. An annual special event license shall authorize the
22 holder thereof: To sell and distribute mixed beverages for
23 consumption on the premises for which the license has been issued
24 for up to four events to be held over a period not to exceed one (1)

1 year, not to exceed two such events in any three-month period. For
2 purposes of this paragraph, an event shall not exceed a period of
3 ten (10) consecutive days. An annual 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 an annual 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 2. A quarterly special 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 three
12 events to be held over a period not to exceed three (3) months. For
13 purposes of this paragraph, an event shall not exceed a period of
14 ten (10) consecutive days. A quarterly special event license shall
15 only be issued in counties of this state where the sale of alcoholic
16 beverages by the individual drink for on-premises consumption has
17 been authorized. The holder of a quarterly special event license
18 shall provide written notice to the ABLE Commission of each special
19 event not less than ten (10) days before the event is held.

20 3. An annual public event license shall authorize the holder
21 thereof: to sell and distribute mixed beverages for consumption on
22 the premises for which the license has been issued for up to six
23 events to be held over a period not to exceed one (1) year. The
24 applicant for an annual public event license, who does not already

1 hold a license issued by the ABLE Commission, shall make application
2 not less than sixty (60) days before its first event. The ABLE
3 Commission shall have the authority to waive the sixty-day
4 requirement at its discretion. For purposes of this paragraph, an
5 event shall not exceed a period of three (3) consecutive days. An
6 annual public event license shall only be issued in counties of this
7 state where the sale of alcoholic beverages by the individual drink
8 for on-premises consumption has been authorized. The holder of an
9 annual public event license shall provide written notice to the ABLE
10 Commission of each subsequent public event not less than ten (10)
11 days before the event is held. A public event license shall not be
12 used in lieu of a mixed beverage license. The holder of an annual
13 public event license may choose to utilize the services of a
14 licensed caterer to provide and distribute the alcoholic beverages
15 at their events. When the applicant chooses to utilize the services
16 of a licensed caterer, the applicant shall declare upon application
17 which licensed caterer will be used. The licensed caterer shall be
18 responsible for payment of all applicable mixed beverage taxes
19 through the existing Mixed Beverage Tax Permit issued to his or her
20 business by the Oklahoma Tax Commission.

21 4. A one-time public event license shall authorize the holder
22 thereof: to sell and distribute mixed beverages for consumption on
23 the premises for which the license has been issued. The applicant
24 for a one-time public event license, who does not already hold a

1 license issued by the ABLE Commission, shall make application not
2 less than sixty (60) days before the event. The ABLE Commission
3 shall have the authority to waive the sixty-day requirement at its
4 discretion. For purposes of this paragraph, an event shall not
5 exceed a period of three (3) consecutive days. A public event
6 license shall only be issued in counties of this state where the
7 sale of alcoholic beverages by the individual drink for on-premises
8 consumption has been authorized. A public event license shall not
9 be used in lieu of a mixed beverage license. The holder of a one-
10 time public event license may choose to utilize the services of a
11 licensed caterer to provide and distribute the alcoholic beverages
12 at his or her event. When the applicant chooses to utilize the
13 services of a licensed caterer, the applicant shall declare upon
14 application which licensed caterer will be used. The licensed
15 caterer shall be responsible for payment of all applicable mixed
16 beverage taxes through the existing Mixed Beverage Tax Permit issued
17 to his or her business by the Oklahoma Tax Commission.

18 M. A hotel beverage license shall authorize the holder thereof:
19 To sell or serve alcoholic beverages in 50 milliliter spirits, 187
20 milliliter wine, and 12-ounce malt beverage containers which are
21 distributed from a hotel room mini-bar. A hotel beverage license
22 shall only be issued in counties of this state where the sale of
23 alcoholic beverages by the individual drink for on-premises
24 consumption has been authorized. A hotel beverage license shall

1 only be issued to a hotel or motel as defined by Section 506 of this
2 title which is also the holder of a mixed beverage license.
3 Provided, that application may be made simultaneously for both such
4 licenses. A separate license shall be required for each place of
5 business.

6 N. An airline/railroad beverage license shall authorize the
7 holder thereof: To sell or serve alcoholic beverages in or from any
8 size container on a commercial passenger airplane or railroad
9 operated in compliance with a valid license, permit or certificate
10 issued under the authority of the United States or this state, even
11 though the airplane or train, in the course of its travel, may cross
12 an area in which the sale of alcoholic beverages by the individual
13 drink is not authorized and to store alcoholic beverages in sealed
14 containers of any size at any airport or station regularly served by
15 the licensee, in accordance with rules promulgated by the Alcoholic
16 Beverage Laws Enforcement Commission. Alcoholic beverages purchased
17 by the holder of an airline/railroad license from the holder of a
18 wholesaler license shall be presumed to be purchased for consumption
19 outside the State of Oklahoma or in interstate commerce, and shall
20 be exempt from the excise tax provided for in Section 553 of this
21 title.

22 O. An agent license shall authorize the holder thereof: To
23 represent only the holders of licenses within this state, other than
24 retailers, authorized to sell alcoholic beverages to retail dealers

1 in Oklahoma, and to solicit and to take orders for the purchase of
2 alcoholic beverages from retailers including licensees authorized to
3 sell alcoholic beverages by the individual drink for on-premises
4 consumption. Such license shall be issued only to agents and
5 employees of the holder of a license under the Oklahoma Alcoholic
6 Beverage Control Act, but no such license shall be required of an
7 employee making sales of alcoholic beverages on licensed premises of
8 the employee's principal. No person holding an agent license shall
9 be entitled to a manufacturers agent license.

10 P. An employee license shall authorize the holder thereof: To
11 work in a package store, mixed beverage establishment, beer and wine
12 establishment, bottle club, public event or any establishment where
13 alcohol or alcoholic beverages are sold, mixed, or served. Persons
14 employed by a mixed beverage licensee, beer and wine licensee,
15 public event licensee or a bottle club who do not participate in the
16 service, mixing, or sale of mixed beverages shall not be required to
17 have an employee license. Provided, however, that a manager
18 employed by a mixed beverage licensee, public event licensee or a
19 bottle club shall be required to have an employee license whether or
20 not the manager participates in the service, mixing or sale of mixed
21 beverages. Applicants for an employee license must have a health
22 card issued by the county in which they are employed, if the county
23 issues such a card. Employees of special event, caterer, unless
24 catering a mixed beverage licensed premises, or airline/railroad

1 beverage licensees shall not be required to obtain an employee
2 license. Persons employed by a hotel licensee who participate in
3 the stocking of hotel room mini-bars or in the handling of alcoholic
4 beverages to be placed in such devices shall be required to have an
5 employee license.

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

8 1. Manufacture of patent, proprietary, medicinal,
9 pharmaceutical, antiseptic, and toilet preparations;

10 2. Manufacture of extracts, syrups, condiments, and food
11 products; and

12 3. For use in scientific, chemical, mechanical, industrial, and
13 medicinal products and purposes.

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

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

22 No provisions of the Oklahoma Alcoholic Beverage Control Act
23 shall apply to alcohol withdrawn by any person free of federal tax
24 under a tax-free permit issued by the United States government, if

1 such alcohol is received, stored, and used as authorized by federal
2 laws.

3 R. A carrier license may be issued to any common carrier
4 operating under a certificate of convenience and necessity issued by
5 any duly authorized federal or state regulatory agency. Such
6 license shall authorize the holder thereof to transport alcoholic
7 beverages other than wine sold directly by a winemaker or winery to
8 a retail package store or restaurant into, within, and out of this
9 state under such terms, conditions, limitations, and restrictions as
10 the ABLE Commission may prescribe by order issuing such license and
11 by regulations.

12 S. A private carrier license may be issued to any carrier other
13 than a common carrier described in subsection Q of this section.
14 Such license shall authorize the holder thereof to transport
15 alcoholic beverages other than wine sold directly by a winemaker or
16 winery to a retail package store or restaurant into, within, or out
17 of this state under such terms, conditions, limitations, and
18 restrictions as the ABLE Commission may prescribe by order issuing
19 such license and by regulations. No carrier license or private
20 carrier license shall be required of licensed brewers, distillers,
21 winemakers, rectifiers, wholesalers, or Class B wholesalers, to
22 transport alcoholic beverages from the place of purchase or
23 acquisition to the licensed premises of such licensees and from such
24 licensed premises to the licensed premises of the purchaser in

1 vehicles owned or leased by such licensee when such transportation
2 is for a lawful purpose and not for hire.

3 No carrier license or private carrier license shall be required
4 of the holder of a package store, mixed beverage, caterer, special
5 event, hotel beverage, public event or airline/railroad license to
6 pick up alcoholic beverage orders from the licensees' wholesaler or
7 Class B wholesaler from whom they are purchased, and to transport
8 such alcoholic beverages from the place of purchase or acquisition
9 to the licensed premise of such licensees in vehicles owned or under
10 the control of such licensee or a licensed employee of such licensee
11 under such terms, conditions, limitations and restrictions as the
12 ABLE Commission may prescribe.

13 T. A bonded warehouse license shall authorize the holder
14 thereof: To receive and store alcoholic beverages for the holders of
15 storage licenses on the licensed premises of the bonded warehouse
16 licensee. No goods, wares or merchandise other than alcoholic
17 beverages may be stored in the same bonded warehouse with alcoholic
18 beverages. The holder of a bonded warehouse license shall furnish
19 and file with the ABLE Commission a bond running to all bailers of
20 alcoholic beverages under proper storage licenses and their
21 assignees (including mortgagees or other bona fide lienholders)
22 conditioned upon faithful performance of the terms and conditions of
23 such bailments.

24

1 U. A storage license may be issued to a holder of a brewer,
2 distiller, winemaker, rectifier, wholesaler, Class B wholesaler,
3 nonresident seller, package store, mixed beverage, caterer, public
4 event or hotel beverage license, and shall authorize the holder
5 thereof: To store alcoholic beverages in a public warehouse holding
6 a bonded warehouse license, and no goods, wares or merchandise other
7 than alcoholic beverages may be stored in the same warehouse with
8 alcoholic beverages in private warehouses owned or leased and
9 operated by such licensees elsewhere than on their licensed
10 premises. Provided:

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

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

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

21 4. A storage license shall be required for a public event
22 licensee storing alcoholic beverages for use at a subsequent event;
23 and
24

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

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

21 W. A beer and wine license shall authorize the holder thereof:
22 To purchase beer and wine in retail containers from the holder of a
23 wholesaler or Class B wholesaler license or as specifically provided
24 by law and to sell, offer for sale and possess beer and wine for on-

1 premises consumption only; provided, the holder of a beer and wine
2 license issued for an establishment which is also a restaurant may
3 purchase wine from a winemaker who is permitted and has elected to
4 self-distribute as provided in Section 3 of Article XXVIII of the
5 Oklahoma Constitution.

6 Sales and service of beer and wine by holders of beer and wine
7 licenses shall be limited to the licensed premises of the licensee
8 unless the holder of the beer and wine license also obtains a
9 caterer license. A beer and wine 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. No
13 beer and wine license shall be issued for any place of business
14 functioning as a motion picture theater, as defined by Section 506
15 of this title. No spirits shall be stored, possessed or consumed on
16 the licensed premises of a beer and wine licensee.

17 X. A charitable auction or charitable alcoholic beverage event
18 license may be issued to a charitable organization exempt from
19 taxation under Section 501(c)(3), (4), (5), (6), (7), (8), (9),
20 (10), or (19) of the United States Internal Revenue Code. The
21 charitable alcoholic beverage event license shall authorize the
22 holder thereof to conduct a wine, spirit and/or beer event which may
23 consist of one or more of a wine, spirit and/or beer tasting event,
24 a wine, spirit and/or beer dinner event or a wine, spirit and/or

1 beer auction, which may be either a live auction conducted by an
2 auctioneer or a silent auction for which:

3 1. Bid sheets are accepted from interested bidders at the
4 event;

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

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

9 A charitable alcoholic beverage event shall be conducted solely
10 to raise funds for charitable purposes. A charitable alcoholic
11 beverage license will allow the event attendees access to tastings,
12 samples, dinners, and alcoholic beverages as parts of their entrance
13 fee or ticket price. Wine, spirits and/or beer used in, served, or
14 consumed at a charitable alcoholic beverage event may be purchased
15 by the charitable organization or donated by any person or entity.
16 The charitable alcoholic beverage event license shall be issued for
17 a period not exceeding four (4) days. Only eight such licenses may
18 be issued to an organization in any twelve-month period. The
19 charitable organization holding a charitable alcoholic beverage
20 event license shall not be required to obtain a special event
21 license. Charitable auction and charitable alcoholic beverage event
22 license holders may also utilize a licensed caterer to provide
23 additional alcohol services at the event and on the premises. The
24 charitable auction license shall authorize the holder thereof to

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

12 Y. A mixed beverage/caterer combination license shall authorize
13 the holder thereof: To purchase or sell mixed beverages as
14 specifically provided by law for the holder of a mixed beverage
15 license or a caterer license. All provisions of the Oklahoma
16 Alcoholic Beverage Control Act applicable to mixed beverage licenses
17 or caterer licenses, or the holders thereof, shall also be
18 applicable to mixed beverage/caterer combination licenses or the
19 holders thereof, except where specifically otherwise provided. A
20 mixed beverage/caterer combination license shall only be issued in
21 counties of this state where the sale of alcoholic beverages by the
22 individual drink for on-premises consumption has been authorized. A
23 separate license shall be required for each place of business.

24

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

8 Z. A small farm winery license shall authorize the holder
9 thereof: To manufacture and bottle wines produced by that small
10 farm winery. In addition, a small farm winery license authorizes
11 the holder of that permit to bottle and sell wines produced by
12 another small farm winery. In order for a small farm winery to
13 bottle and sell another small farm winery's products, both the
14 selling winery and the buying winery shall be small farm winery
15 permit holders. A small farm wine may display the trademarked
16 "Oklahoma Grown" sticker available from the Oklahoma Grape Industry
17 Council.

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

22 BB. Except as provided in Sections 554.1 and 554.2 of this
23 title with respect to cities, towns and counties, and except as may
24 be provided under Title 68 of the Oklahoma Statutes with respect to

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

12 SECTION 2. This act shall become effective July 1, 2016.

13 SECTION 3. It being immediately necessary for the preservation
14 of the public peace, health and safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

17
18 55-2-3404 NP 5/19/2016 12:11:06 PM

19
20
21
22
23
24