

1 **SENATE FLOOR VERSION**

2 February 14, 2019

3 SENATE BILL NO. 813

By: Bice

4
5
6 An Act relating to alcoholic beverage licenses;
7 creating a complimentary beverage license for certain
8 purpose; stating eligibility for license; restricting
9 purchases to certain providers; exempting employees
10 who serve beverages from licensure; making license
11 renewable annually; exempting license from permanent
12 location requirement; allowing winery and brewer to
13 serve samples and sealed product on certain premises;
14 amending Section 13, Chapter 366, O.S.L. 2016, as
15 last amended by Section 2, Chapter 312, O.S.L. 2018
16 (37A O.S. Supp. 2018, Section 2-101), which relates
17 to license fees; setting license fees; providing for
18 codification; providing an effective date; and
19 declaring an emergency.

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

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

24 A complimentary beverage license shall authorize the holder
thereof: To provide, free of charge for on premises consumption
only, no more than two alcoholic beverages containing spirits,
twelve (12) ounces of wine, or twenty-four (24) ounces of beer per
day, to a guest or client who is twenty-one (21) years of age or
older. This license shall not be issued to a business which

1 possesses any other form of license issued by the ABLE Commission,
2 except for event-type licenses. Complimentary beverage licenses
3 shall only be issued to a business located in a building or
4 structure that has a permanent physical address. This license shall
5 only be issued to businesses which involve retail sales or provide
6 services to its clients including, but not limited to, furniture
7 stores, art studios, nail salons, hair salons, cigar stores,
8 clothing stores, bridal shops or business support services. A
9 chamber of commerce, main street, economic development authority,
10 vocational trade school, higher education college or similar
11 organization promoting economic development or an organization that
12 is exempt from taxation pursuant to the provisions of subsection (c)
13 of Section 501 of the United States Internal Revenue Code shall also
14 qualify for a complimentary beverage license. A business whose
15 patronage is primarily persons under the age of eighteen (18), is a
16 restaurant or a business that provides adult entertainment shall not
17 qualify for a license. Upon issuance of the license, the business
18 shall purchase all of its alcoholic beverages from a brewer,
19 winemaker, retail spirit, retail beer, or retail wine licensee and
20 will become a licensed premise subject to inspection by any ABLE
21 Commission agent or any other peace officer, pursuant to Section 5-
22 115 of Title 37A of the Oklahoma Statutes. Employees who serve the
23 alcoholic beverage shall be twenty-one (21) years of age or older
24 and shall not be required to obtain an employee license. A

1 complimentary beverage license shall not be used in lieu of a mixed
2 beverage, caterer, brew pub, brewer, public event, special event,
3 beer and wine, or charitable event license. This license is an
4 annual license and renewable on an annual basis.

5 A chamber of commerce, main street, economic development
6 authority, vocational trade school, higher education college or
7 similar organization promoting economic development shall be exempt
8 from the permanent location requirement and permitted to utilize the
9 license at other locations within the city in which they are located
10 or on their campus for member recruitment, education and development
11 of new business functions.

12 The holder of an Oklahoma winery or brewers license may serve
13 free samples and offer for sale sealed product for off premises
14 consumption at temporary tastings on the premises of a complimentary
15 beverage licensee.

16 SECTION 2. AMENDATORY Section 13, Chapter 366, O.S.L.
17 2016, as last amended by Section 2, Chapter 312, O.S.L. 2018 (37A
18 O.S. Supp. 2018, Section 2-101), is amended to read as follows:

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

- 22 1. Brewer License..... \$1,250.00
- 23 2. Small Brewer License..... \$125.00
- 24 3. Distiller License..... \$3,125.00

1	15.	Bottle Club License.....	\$1,000.00
2			(initial license)
3			\$900.00
4			(renewal)
5	16.	Caterer License.....	\$1,005.00
6			(initial license)
7			\$905.00
8			(renewal)
9	17.	Annual Special Event License.....	\$55.00
10	18.	Quarterly Special Event License.....	\$55.00
11	19.	Hotel Beverage License.....	\$1,005.00
12			(initial license)
13			\$905.00
14			(renewal)
15	20.	Airline/Railroad Beverage License.....	\$1,005.00
16			(initial license)
17			\$905.00
18			(renewal)
19	21.	Agent License.....	\$55.00
20	22.	Employee License.....	\$30.00
21	23.	Industrial License.....	\$23.00
22	24.	Carrier License.....	\$23.00
23	25.	Private Carrier License.....	\$23.00
24	26.	Bonded Warehouse License.....	\$190.00

1	27.	Storage License.....	\$23.00
2	28.	Nonresident Seller License or Manufacturer's	
3		License.....	\$750.00
4	29.	Manufacturer's Agent License.....	\$55.00
5	30.	Sacramental Wine Supplier License.....	\$100.00
6	31.	Charitable Auction License.....	\$1.00
7	32.	Charitable Alcoholic Beverage License.....	\$55.00
8	33.	Winemaker Self-Distribution License.....	\$750.00
9	34.	Annual Public Event License.....	\$1,005.00
10	35.	One-Time Public Event License.....	\$255.00
11	36.	Small Brewer Self-Distribution License.....	\$750.00
12	37.	Brewpub License.....	\$1,005.00
13	38.	Brewpub Self-Distribution License.....	\$750.00
14	39.	<u>Complimentary Beverage License.....</u>	<u>\$75.00</u>

15 B. 1. There shall be added to the initial or renewal fees for
16 a Mixed Beverage License an administrative fee, which shall not be
17 deemed to be a license fee, in the amount of Five Hundred Dollars
18 (\$500.00), which shall be paid at the same time and in the same
19 manner as the license fees prescribed by paragraph 10 of subsection
20 A of this section; provided, this fee shall not be assessed against
21 service organizations or fraternal beneficiary societies which are
22 exempt under Section 501(c)(19), (8) or (10) of the Internal Revenue
23 Code.

24

1 2. There shall be added to the fee for a Mixed Beverage/Caterer
2 Combination License an administrative fee, which shall not be deemed
3 to be a license fee, in the amount of Two Hundred Fifty Dollars
4 (\$250.00), which shall be paid at the same time and in the same
5 manner as the license fee prescribed by paragraph 11 of subsection A
6 of this section.

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

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

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

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

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

23 F. The holder of a license, issued by the ABLE Commission, for
24 a bottle club located in a county of this state where the sale of

1 alcoholic beverages by the individual drink for on-premises
2 consumption has been authorized, may exchange the bottle club
3 license for a mixed beverage license or an on-premises beer and wine
4 license and operate the licensed premises as a mixed beverage
5 establishment or an on-premises beer and wine establishment subject
6 to the provisions of the Oklahoma Alcoholic Beverage Control Act.
7 There shall be no additional fee for such exchange and the mixed
8 beverage license or on-premises beer and wine license issued shall
9 expire one (1) year from the date of issuance of the original bottle
10 club license.

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

- 13 1. Nonresident Seller or Manufacturer License..... \$2,500.00
- 14 2. Wine and Spirits Wholesaler License..... \$2,500.00
- 15 3. Beer Distributor..... \$1,000.00
- 16 4. Retail Spirits License for cities and towns
17 over 5,000 population..... \$250.00
- 18 5. Retail Spirits License for cities and towns
19 from 2,501 to 5,000 population..... \$200.00
- 20 6. Retail Spirits License for cities and towns
21 from 200 to 2,500 population..... \$150.00
- 22 7. Retail Wine License..... \$250.00
- 23 8. Retail Beer License..... \$250.00
- 24 9. Mixed Beverage License..... \$25.00

- 1 10. Mixed Beverage/Caterer Combination License..... \$25.00
- 2 11. Caterer License..... \$25.00
- 3 12. On-Premises Beer and Wine License..... \$25.00
- 4 13. Annual Public Event License..... \$25.00
- 5 14. Small Farm Winery License..... \$25.00
- 6 15. Small Brewer License..... \$35.00
- 7 16. Complimentary Beverage License..... \$25.00

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

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

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

20 SECTION 4. It being immediately necessary for the preservation
21 of the public peace, health or safety, an emergency is hereby
22
23
24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
4 February 14, 2019 - DO PASS
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24