ENGROSSED HOUSE
BILL NO. 2747

By: Calvey of the House

and

Rabon of the Senate

An Act relating to intoxicating liquors; amending 37 O.S. 2001, Section 231, as last amended by Section 1, Chapter 479, O.S.L. 2005 (37 O.S. Supp. 2005, Section 231), which relates to low-point beer; authorizing manufacturers, importers, wholesalers, or other holders of basic permits for low-point beer issued by the United States Secretary of the Treasury to offer discounts based upon the volume of low-point beer purchased by retailers; requiring discount to be offered equally to all purchasing retailers; and providing an effective date.

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

SECTION 1. AMENDATORY 37 O.S. 2001, Section 231, as last amended by Section 1, Chapter 479, O.S.L. 2005 (37 O.S. Supp. 2005, Section 231), is amended to read as follows:

Section 231. A. It shall be unlawful for any person, firm, corporation, or others associated therein or employed thereby, engaged in business as a manufacturer, importer, or wholesaler, or other holder of a basic permit from the United States Secretary of the Treasury, of low-point beer, individually or through or by affiliates, subsidiaries, associates, agents, or stockholders, directly or indirectly, to do or cause to be done any of the following acts:

1. Acquire, hold, or own any interest in the permit, license, premises, or business of a retail dealer in low-point beer;

2. Acquire, hold, or own any interest in the real or personal property owned, occupied, or used by a retail dealer in low-point beer in the conduct of his or her business;

3. Furnish, give, rent, lend, or sell to a retail dealer in low-point beer any equipment, fixture, outdoor advertising structures, supplies, or other things having a real or substantial value. Provided that this paragraph shall not be construed to prohibit the furnishing of normal point of purchase advertising matter to such retail dealer in low-point beer;

4. Pay or credit a retail dealer in low-point beer for any advertising display or distribution service;

5. Guarantee or procure another to guarantee any loan or the payment of any financial obligation of a retail dealer in low-point beer;

6. Extend credit to a retail dealer in low-point beer;

7. Offer or give any bonus, premium, or compensation to an officer, employee, associate, relative, or representative of a retail dealer in low-point beer;

8. Sell, offer for sale, or contract to sell to any retail dealer in low-point beer any low-point beer on consignment, or with the privilege of return, or on any basis other than a bona fide cash sale;

9. Use or employ any device or scheme to subsidize in any manner any retail dealer in low-point beer; or

10. Permit any retail dealer in low-point beer to do for such brewer, importer, wholesaler, or other holder of a basic permit from the United States Secretary of the Treasury, of low-point beer any of the above acts hereby made unlawful to be done on behalf of such retail dealer in low-point beer.

B. The provisions of this section shall not preclude a retail dealer from manufacturing low-point beer for consumption on or off the licensed premises of the retail dealer. As used in this subsection, "licensed premises" means any place of business, as defined by Section 163.8 of this title, for which a retail dealer has obtained a permit pursuant to subparagraph c of paragraph 3 of

Section 163.7 of this title or any location for which a retail dealer has obtained a special license pursuant to subparagraph d of paragraph 3 of Section 163.7 of this title.

C. Outright one-hundred percent (100%) ownership of a retail business by an in-state manufacturer or an in-state manufacturer with a wholesaler permit is not an interest which results in a violation of this section. An in-state manufacturer or an in-state manufacturer with a wholesaler permit shall not sell at its own retail business more than five thousand (5,000) barrels annually of low-point beer it produces.

D. Nothing in this section shall prohibit a manufacturer, importer, wholesaler, or other holder of a basic permit for low-point beer issued by the United States Secretary of the Treasury from offering a discount based upon the volume of low-point beer purchased by the retailer. The provisions of this subsection shall only apply if the discount is offered equally to all purchasing retailers.

SECTION 2. This act shall become effective July 1, 2006.

Passed the House of Representatives the 16th day of March, 2006.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2006.

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Presiding Officer of the Senate