

1 **CORRECTED PRINTING**

2 **THE STATE SENATE**

3 **Wednesday, February 23, 2005**

4 **Senate Bill No. 344**

SB 344

5 SENATE BILL NO. 344 - By: CAIN of the Senate and TOURE of the House.

6 An Act relating to intoxicating liquor; amending 37 O.S.
7 2001, Sections 505, 518, as last amended by Section 5,
8 chapter 484, O.S.L. 2003, 518.1, and 521, as last amended by
9 Section 1, Chapter 72, O.S.L. 2004 (37 O.S. Supp. 2004,
10 Sections 518 and 521), which relate to the Oklahoma
11 Alcoholic Beverage Control Act; adding exception to certain
12 tax; modifying certain license fees; allowing for the direct
13 purchase of certain spirits; granting certain authority to a
14 licensed distiller; granting certain authority to a licensed
15 rectifier; providing exemption from certain license;
16 modifying acts authorized by certain licenses; providing an
17 effective date; and providing conditional effective date.

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

19 SECTION 1. AMENDATORY 37 O.S. 2001, Section 505, is
20 amended to read as follows:

21 Section 505. A. No person shall manufacture, rectify, sell,
22 possess, store, import into or export from this state, transport, or
23 deliver any alcoholic beverage except as specifically provided in
24 the Oklahoma Alcoholic Beverage Control Act. Provided, that nothing
25 herein shall prevent the possession and transportation of alcoholic
26 beverages for the personal use of the possessor, his or her family
27 and guests, so long as the Oklahoma excise tax has been paid
28 thereon, except for beer, distilled and/or rectified spirits.

29 Provided, that nothing herein shall prevent the making of cider or

1 of wine, not to exceed two hundred (200) gallons in any one (1) year
2 pursuant to a license first obtained from the Alcoholic Beverage
3 Laws Enforcement Commission, by simple fermentation and without
4 distillation, if made solely for the use of the maker, his or her
5 family and guests.

6 B. 1. Any duly licensed physician or dentist may possess and
7 use alcoholic beverages in the strict practice of his or her
8 profession and any hospital or other institution caring for sick and
9 diseased persons may possess and use alcoholic beverages for the
10 treatment of bona fide patients of such hospital or institution.
11 Any drugstore employing a licensed pharmacist may possess and use
12 alcoholic beverages in the preparation of prescriptions of duly
13 licensed physicians.

14 2. The possession, transportation and dispensation of wine by
15 any authorized representative of any church for the conducting of a
16 bona fide rite or religious ceremony conducted by such church shall
17 not be prohibited by the Oklahoma Alcoholic Beverage Control Act;
18 nor shall said act prevent the sale, shipping or delivery of
19 sacramental wine by any person holding a sacramental wine supplier
20 license issued pursuant to the Oklahoma Alcoholic Beverage Control
21 Act to any religious corporation or society of this state holding a
22 valid exemption from taxation issued pursuant to Section 501(a) of
23 the Internal Revenue Code, 1954, and listed as an exempt

1 organization in Section 501(c)(3) of the Internal Revenue Code,
2 1954, of the United States, as amended.

3 3. Provided further, that nothing in the Oklahoma Alcoholic
4 Beverage Control Act shall prevent the possession, transportation
5 and sale of alcoholic beverages, including beer as defined by
6 Section 506 of this title and beer containing not more than three
7 and two-tenths percent (3.2%) of alcohol by weight, within military
8 reservations and in accordance with the laws, rules and regulations
9 governing such military reservations, provided that the Oklahoma
10 excise tax has been paid on spirits and wines.

11 C. 1. Except as otherwise authorized by law, it is unlawful
12 for any manufacturer, wholesaler or retailer of alcoholic beverages,
13 located and doing business from outside this state, to make retail
14 sales of alcoholic beverages to purchasers located in this state or
15 to ship alcoholic beverages sold at retail to persons located in
16 this state. Any person who engages in the sale or shipping of
17 alcoholic beverages in violation of the provisions of this
18 subsection ~~on or after the effective date of Section 20.1 of Title~~
19 ~~21 of the Oklahoma Statutes,~~ upon conviction, shall be guilty of a
20 ~~Schedule C felony if the sale or delivery is made to a person under~~
21 ~~twenty one (21) years of age or misdemeanor if the sale or delivery~~
22 ~~is made to a person twenty one (21) years of age or older. Any~~
23 ~~person who engages in the sale or shipping of alcoholic beverages in~~

1 ~~violation of the provisions of this subsection before the effective~~
2 ~~date of Section 20.1 of Title 21 of the Oklahoma Statutes shall be~~
3 ~~guilty of a felony punishable by imprisonment for not more than five~~
4 (5) years, if the sale or delivery is made to a person under twenty-
5 one (21) years of age, or a misdemeanor, if the sale or delivery is
6 made to a person twenty-one (21) years of age or older.

7 2. The fine for a violation of this subsection shall be not
8 more than Five Thousand Dollars (\$5,000.00).

9 3. In addition, if such person holds a license issued by the
10 Oklahoma Alcoholic Beverage Laws Enforcement Commission, the license
11 shall be revoked pursuant to Section 528 of this title.

12 SECTION 2. AMENDATORY 37 O.S. 2001, Section 518, as last
13 amended by Section 5, Chapter 484, O.S.L. 2003 (37 O.S. Supp. 2004,
14 Section 518), is amended to read as follows:

15 Section 518. A. Except as otherwise provided in this section,
16 the licenses issued by the Alcoholic Beverage Laws Enforcement
17 Commission, and the annual fees therefor, shall be as follows:

- 18 1. Brewer License..... \$1,250.00
- 19 2. Oklahoma Brewer License..... \$125.00
- 20 3. Distiller License..... ~~\$3,125.00~~
- 21 \$1,250.00
- 22 4. Winemaker License..... \$625.00
- 23 5. Oklahoma Winemaker License..... \$75.00

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

- 1 23. Private Carrier License..... \$23.00
- 2 24. Bonded Warehouse License..... \$190.00
- 3 25. Storage License..... \$23.00
- 4 26. Nonresident Seller License..... \$750.00
- 5 27. Manufacturers Agent License..... \$55.00
- 6 28. Sacramental Wine Supplier License..... \$100.00
- 7 29. Charitable Auction License..... \$1.00

8 There shall be added to the initial or renewal fees for a Mixed
9 Beverage License an administrative fee, which shall not be deemed to
10 be a license fee, in the amount of Five Hundred Dollars (\$500.00),
11 which shall be paid at the same time and in the same manner as the
12 license fees prescribed by paragraph 10 of this subsection;
13 provided, this fee shall not be assessed against service
14 organizations or fraternal beneficiary societies which are exempt
15 under Section 501(c)(19), (8) or (10) of the Internal Revenue Code.
16 There shall be added to the fee for a Mixed Beverage/Caterer
17 Combination License an administrative fee, which shall not be deemed
18 to be a license fee, in the amount of Two Hundred Fifty Dollars
19 (\$250.00), which shall be paid at the same time and in the same
20 manner as the license fee prescribed by paragraph 11 of this
21 subsection.

22 B. Notwithstanding the provisions of subsection A of this
23 section:

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

6 2. The fees provided for in subsection A of this section for a
7 brewer license and for a Class B wholesaler license shall be reduced
8 by seventy-five percent (75%) if the applicant therefor is also the
9 holder of a license to manufacture or wholesale any low-point beer
10 as provided for in this title; and

11 3. The renewal fee for an airline/railroad beverage license
12 held by a railroad described in ~~Section 24301 of Title 49 of the~~
13 ~~United States Code,~~ 49 U.S.C., Section 24301, shall be One Hundred
14 Dollars (\$100.00).

15 C. An applicant may apply for and receive both a beer and wine
16 license and a caterer license.

17 D. All licenses, except as otherwise provided, shall be valid
18 for one (1) year from date of issuance unless revoked or
19 surrendered. Provided, all employee licenses issued on or after
20 September 1, 1993, shall be valid for two (2) years.

21 E. The holder of a license, issued by the ABLE Commission, for
22 a bottle club located in a county of this state where the sale of
23 alcoholic beverages by the individual drink for on-premises

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

9 SECTION 3. AMENDATORY 37 O.S. 2001, Section 518.1, is
10 amended to read as follows:

11 Section 518.1 The holder of a mixed beverage, beer and wine,
12 caterer, special event or airline/railroad beverage license shall
13 purchase alcoholic beverages only from a licensed wholesaler or
14 Class B wholesaler or as specifically provided by law; provided, the
15 holder of a mixed beverage, beer and wine, caterer or special event
16 license issued for an establishment which is also a restaurant may
17 purchase wine produced at wineries and spirits produced at
18 distilleries and/or rectifiers in this state directly from an
19 Oklahoma winemaker or distiller and/or rectifier, respectively, as
20 provided in Section 3 of Article XXVIII of the Oklahoma
21 Constitution.

22 A wholesaler or Class B wholesaler may deliver such products to
23 licensees authorized to sell alcoholic beverages for on-premises

1 consumption; provided, such licensees may pick up alcoholic beverage
2 orders if they hold a private carrier license issued by the
3 Alcoholic Beverage Laws Enforcement Commission.

4 SECTION 4. AMENDATORY 37 O.S. 2001, Section 521, as last
5 amended by Section 1, Chapter 72, O.S.L. 2004 (37 O.S. Supp. 2004,
6 Section 521), is amended to read as follows:

7 Section 521. A. A brewer license shall authorize the holder
8 thereof: To manufacture, bottle, package, and store beer on
9 licensed premises; to sell beer in this state to holders of Class B
10 wholesaler licenses and retail licenses and to sell beer out of this
11 state to qualified persons.

12 B. A distiller license shall authorize the holder thereof: To
13 manufacture, bottle, package, and store spirits on licensed
14 premises; to sell spirits in this state to licensed wholesalers and
15 manufacturers only; to sell and ship spirits produced at a
16 distillery in this state directly to retail package stores and
17 restaurants in this state; to sell bottles of spirits produced at
18 the distillery in this state to consumers on the premises of the
19 distillery; to serve visitors on the licensed premises samples of
20 spirits produced on the premises; to serve samples of spirits
21 produced at the distillery at festivals and trade shows; to sell
22 spirits out of this state to qualified persons; to purchase from
23 licensed distillers and rectifiers in this state, and import spirits

1 from without this state for manufacturing purposes in accordance
2 with federal laws and regulations.

3 C. A winemaker license shall authorize the holder thereof: To
4 manufacture (including such mixing, blending and cellar treatment as
5 authorized by federal law), bottle, package, and store on licensed
6 premises wine containing not more than twenty-four percent (24%)
7 alcohol by volume, provided the bottle or package sizes authorized
8 shall be limited to the capacities approved by the United States
9 Bureau of Alcohol, Tobacco and Firearms; to sell wine in this state
10 to licensed wholesalers and manufacturers, provided, an Oklahoma
11 winemaker may sell and ship wine produced at a winery in this state
12 directly to retail package stores and restaurants in this state; to
13 sell bottles of wine produced at the winery from grapes and other
14 fruits and berries grown in this state, if available, to consumers
15 on the premises of the winery; to serve visitors on the licensed
16 premises ~~free~~ samples of wine produced on the premises; to serve
17 ~~free~~ samples of wine produced at the winery at festivals and trade
18 shows; to sell wine produced at the winery, in original sealed
19 containers, at festivals and trade shows; to sell wine out of this
20 state to qualified persons; to purchase from licensed winemakers,
21 distillers and rectifiers in this state, and to import into this
22 state wine, brandy and fruit spirits for use in manufacturing in
23 accordance with federal laws and regulations.

1 D. A rectifier license shall authorize the holder thereof: To
2 rectify spirits and wines, bottle, package, and store same on the
3 licensed premises; to sell spirits and wines in this state to
4 licensed wholesalers and manufacturers only; to sell and ship
5 spirits and wine produced on licensed premises in this state
6 directly to retail package stores and restaurants in this state; to
7 sell bottles of spirits and wine produced on the licensed premises
8 in this state to consumers on the licensed premises; to serve
9 visitors on the licensed premises samples of spirits and wines
10 produced on the premises; to serve samples of spirits and wine
11 produced on the licensed premises at festivals and trade shows; to
12 sell spirits and wines out of this state to qualified persons; to
13 purchase from licensed manufacturers in this state; and to import
14 into this state for manufacturing purposes spirits and wines in
15 accordance with federal laws and regulations.

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

1 airline/railroad beverage licensees; to sell spirits in containers
2 with a capacity of less than one-twentieth (1/20) gallon in full
3 case lots and in the original unbroken case to hotel beverage or
4 airline/railroad beverage licensees only; to sell wines in
5 containers with a capacity of less than one-twentieth (1/20) gallon
6 in full case lots and in the original unbroken case; to sell spirits
7 and wines to wholesalers authorized to sell same; to sell spirits
8 and wines out of this state to qualified persons; provided, a
9 wholesaler license shall authorize the holder thereof to sell
10 alcoholic beverages in containers with a capacity of less than one-
11 twentieth (1/20) gallon, if the containers are packaged with other
12 containers and the total capacity is greater than one-twentieth
13 (1/20) gallon. Wholesalers shall be authorized to place such signs
14 outside their place of business as are required by Acts of Congress
15 and by such laws and regulations promulgated under such Acts.

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

21 F. A Class B wholesaler license shall authorize the holder
22 thereof: To purchase and import into this state beer from persons
23 authorized to sell same who are the holders of nonresident seller

1 licenses, and their agents who are the holders of manufacturers
2 agent licenses; to purchase beer from licensed brewers and Class B
3 wholesalers in this state; to sell in retail containers to
4 retailers, mixed beverage, caterer, special event, hotel beverage
5 and airline/railroad beverage licensees in this state, beer which
6 has been unloaded and stored at the holder's self-owned or leased
7 and self-operated warehouse facilities for a period of at least
8 twenty-four (24) hours before such sale; and to sell beer in this
9 state to Class B wholesalers and out of this state to qualified
10 persons, including federal instrumentalities and voluntary
11 associations of military personnel on federal enclaves in this state
12 over which this state has ceded jurisdiction.

13 G. A package store license shall authorize the holder thereof:
14 To purchase alcohol, spirits and beer in retail containers with a
15 capacity of more than one-twentieth (1/20) gallon or in retail
16 containers with a capacity of less than one-twentieth (1/20) gallon
17 if the containers are packaged with other containers and the total
18 capacity is greater than one-twentieth (1/20) gallon, and wine in
19 retail containers with any capacity approved by the United States
20 Bureau of Alcohol, Tobacco and Firearms from the holder of a brewer,
21 wholesaler or Class B wholesaler license and to purchase wine
22 produced at a winery in this state from an Oklahoma winemaker and to
23 sell same on the licensed premises in such containers to consumers

1 for off-premises consumption only and not for resale; provided, wine
2 may be sold to charitable organizations that are holders of
3 charitable auction licenses. All alcoholic beverages that are sold
4 by a package store are to be sold at ordinary room temperature. No
5 package store licensee may purchase or sell alcohol, spirits or beer
6 in retail containers with a capacity of less than one-twentieth
7 (1/20) gallon, except that a package store licensee may sell
8 alcoholic beverages in retail containers with a capacity of less
9 than one-twentieth (1/20) gallon, if the containers are packaged
10 with other containers and the total capacity is greater than one-
11 twentieth (1/20) gallon.

12 H. A mixed beverage license shall authorize the holder thereof:
13 To purchase alcohol, spirits or beer in retail containers with a
14 capacity of more than one-twentieth (1/20) gallon and wine in retail
15 containers with a capacity approved by the United States Bureau of
16 Alcohol, Tobacco and Firearms from the holder of a wholesaler or
17 Class B wholesaler license or as specifically provided by law and to
18 sell, offer for sale and possess mixed beverages for on-premises
19 consumption only; provided, the holder of a mixed beverage license
20 issued for an establishment which is also a restaurant may purchase
21 wine produced at wineries in this state directly from an Oklahoma
22 winemaker as provided in Section 3 of Article XXVIII of the Oklahoma
23 Constitution.

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

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

20 J. A caterer license shall authorize the holder thereof: To
21 sell mixed beverages for on-premises consumption incidental to the
22 sale or distribution of food at particular functions, occasions, or
23 events which are temporary in nature. A caterer license shall not

1 be issued in lieu of a mixed beverage license. A caterer license
2 shall only be issued in counties of this state where the sale of
3 alcoholic beverages by the individual drink for on-premises
4 consumption has been authorized. A separate license shall be
5 required for each place of business.

6 K. 1. An annual special event license shall authorize the
7 holder thereof: To sell and distribute mixed beverages for
8 consumption on the premises for which the license has been issued
9 for up to four events to be held over a period not to exceed one (1)
10 year, not to exceed two such events in any three-month period. For
11 purposes of this paragraph, an event shall not exceed a period of
12 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 beverages by the individual drink for on-premises consumption has
15 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 2. A quarterly special event license shall authorize the holder
19 thereof: To sell and distribute mixed beverages for consumption on
20 the premises for which the license has been issued for up to three
21 events to be held over a period not to exceed three (3) months. For
22 purposes of this paragraph, an event shall not exceed a period of
23 ten (10) consecutive days. A quarterly special event license shall

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

6 L. A hotel beverage license shall authorize the holder thereof:
7 To sell or serve alcoholic beverages in 50 milliliter spirits, 187
8 milliliter wine, and 12-ounce malt beverage containers which are
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
13 only be issued to a hotel or motel as defined by Section 506 of this
14 title which is also the holder of a mixed beverage license.
15 Provided, that application may be made simultaneously for both such
16 licenses. A separate license shall be required for each place of
17 business.

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

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

11 N. An agent license shall authorize the holder thereof: To
12 represent only the holders of licenses within this state, other than
13 retailers, authorized to sell alcoholic beverages to retail dealers
14 in Oklahoma, and to solicit and to take orders for the purchase of
15 alcoholic beverages from retailers including licensees authorized to
16 sell alcoholic beverages by the individual drink for on-premises
17 consumption. Such license shall be issued only to agents and
18 employees of the holder of a license under the Oklahoma Alcoholic
19 Beverage Control Act, Section 502 et seq. of this title but no such
20 license shall be required of an employee making sales of alcoholic
21 beverages on licensed premises of the employee's principal. No
22 person holding an agent license shall be entitled to a manufacturers
23 agent license.

1 O. An employee license shall authorize the holder thereof: To
2 work in a package store, mixed beverage establishment, bottle club,
3 or any establishment where alcohol or alcoholic beverages are sold,
4 mixed, or served. Persons employed by a mixed beverage licensee or
5 a bottle club who do not participate in the service, mixing, or sale
6 of mixed beverages shall not be required to have an employee
7 license. Provided, however, that a manager employed by a mixed
8 beverage licensee or a bottle club shall be required to have an
9 employee license whether or not the manager participates in the
10 service, mixing or sale of mixed beverages. Applicants for an
11 employee license must have a health card issued by the county in
12 which they are employed, if the county issues such a card.

13 Employees of special event, caterer, distillers, rectifiers or
14 airline/railroad beverage licensees shall not be required to obtain
15 an employee license. Persons employed by a hotel licensee who
16 participate in the stocking of hotel room mini-bars or in the
17 handling of alcoholic beverages to be placed in such devices shall
18 be required to have an employee license.

19 P. An industrial license may be issued to persons desiring to
20 import, transport, and use alcohol for the following purposes:

21 1. Manufacture of patent, proprietary, medicinal,
22 pharmaceutical, antiseptic, and toilet preparations;

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

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

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

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

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

18 Q. A carrier license may be issued to any common carrier
19 operating under a certificate of convenience and necessity issued by
20 any duly authorized federal or state regulatory agency. Such
21 license shall authorize the holder thereof to transport alcoholic
22 beverages into, within, and out of this state under such terms,

1 conditions, limitations, and restrictions as the ABLE Commission may
2 prescribe by order issuing such license and by regulations.

3 R. A private carrier license may be issued to any carrier other
4 than a common carrier described in subsection P of this section.
5 Such license shall authorize the holder thereof to transport
6 alcoholic beverages into, within, or out of this state under such
7 terms, conditions, limitations, and restrictions as the ABLE
8 Commission may prescribe by order issuing such license and by
9 regulations. No carrier license or private carrier license shall be
10 required of licensed brewers, distillers, winemakers, rectifiers,
11 wholesalers, or Class B wholesalers, to transport alcoholic
12 beverages from the place of purchase or acquisition to the licensed
13 premises of such licensees and from such licensed premises to the
14 licensed premises of the purchaser in vehicles owned or leased by
15 such licensee when such transportation is for a lawful purpose and
16 not for hire.

17 No carrier license or private carrier license shall be required
18 of the holder of a package store, mixed beverage, caterer, special
19 event, hotel beverage or airline/railroad license to pick up
20 alcoholic beverage orders from the licensees' wholesaler or Class B
21 wholesaler from whom they are purchased, and to transport such
22 alcoholic beverages from the place of purchase or acquisition to the
23 licensed premise of such licensees in vehicles owned or under the

1 control of such licensee or a licensed employee of such licensee
2 under such terms, conditions, limitations and restrictions as the
3 ABLE Commission may prescribe.

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

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

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

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

9 3. A storage license shall not be required for a special event
10 licensee storing alcoholic beverages for use at a subsequent event;
11 and

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

1 notice shall clearly show the quantity, brand and size of every
2 transferred bottle or case.

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

10 V. A beer and wine and distiller and/or rectifier license shall
11 authorize the holder thereof: To purchase beer and wine and spirits
12 in retail containers with a capacity of more than one-twentieth
13 (1/20) gallon from the holder of a wholesaler or Class B wholesaler
14 license or as specifically provided by law and to sell, offer for
15 sale and possess beer and wine for on-premises consumption only;
16 provided, the holder of a beer and wine license issued for an
17 establishment which is also a restaurant may purchase wine produced
18 at wineries and spirits produced at distilleries or rectifiers in
19 this state directly from an Oklahoma winemaker, distiller and/or
20 rectifier, respectively, as provided in Section 3 of Article XXVIII
21 of the Oklahoma Constitution.

22 Sales and service of beer and wine by holders of beer and wine
23 licenses shall be limited to the licensed premises of the licensee

1 unless the holder of the beer and wine license also obtains a
2 caterer license. A beer and wine license shall only be issued in
3 counties of this state where the sale of alcoholic beverages by the
4 individual drink for on-premises consumption has been authorized. A
5 separate license shall be required for each place of business. No
6 beer and wine license shall be issued for any place of business
7 functioning as a motion picture theater, as defined by Section 506
8 of this title. No spirits shall be stored, possessed or consumed on
9 the licensed premises of a beer and wine licensee.

10 W. A charitable auction license may be issued to a charitable
11 organization exempt from taxation under Section 501(c)(3), (4), (5),
12 (7), (8), (9), (10), or (19) of the United States Internal Revenue
13 Code. The license shall authorize the holder thereof to auction
14 wine purchased from a retail package store or received as a gift
15 from an individual, if the auction is conducted to raise funds for
16 charitable purposes. The license shall be issued for a period not
17 exceeding two (2) days. Only one such license may be issued to an
18 organization in any twelve-month period. The maximum amount of wine
19 auctioned pursuant to the license shall not exceed fifty (50)
20 gallons. All wines auctioned shall be registered and all fees and
21 taxes shall be paid in accordance with the Oklahoma Alcoholic
22 Beverage Control Act. The auction may be either a live auction

1 conducted by an auctioneer or a silent auction for which bid sheets
2 are accepted from interested bidders.

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

15 SECTION 5. Sections 1 and 2 of this act shall become effective
16 November 1, 2005.

17 SECTION 6. Sections 3 and 4 of this act shall become effective
18 upon certification of election returns favoring passage of the
19 Constitutional Amendment proposed in Senate Joint Resolution No.
20 _____ of the 1st Session of the 50th Oklahoma Legislature.

21 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND LABOR, dated 2-14-05
22 - DO PASS, As Coauthored.