

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

SENATE BILL 1066

By: Paddack

AS INTRODUCED

An Act relating to liquor licenses; amending 37 O.S. 2011, Sections 518, as last amended by Section 2, Chapter 48, O.S.L. 2015, and 521, as last amended by Section 2, Chapter 275, O.S.L. 2015 (37 O.S. Supp. 2015, Sections 518 and 521), which relate to licenses and license authority; adding direct-ship winemaker license; adding commercial carrier license; setting license fees; establishing license authority; providing conditions for direct shipment to consumer; and providing an effective date contingent upon passage of a certain Constitutional Amendment.

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

SECTION 1. AMENDATORY 37 O.S. 2011, Section 518, as last amended by Section 2, Chapter 48, O.S.L. 2015 (37 O.S. Supp. 2015, Section 518), is amended to read as follows:

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

- 1. Brewer License..... \$1,250.00
- 2. Oklahoma Brewer License..... \$125.00
- 3. Distiller License



1			\$905.00
2			(renewal)
3	<del>11.</del> <u>12.</u>	Mixed Beverage/Caterer Combination License.	\$1,250.00
4	<del>12.</del> <u>13.</u>	Beer and Wine License.....	\$500.00
5			(initial license)
6			\$450.00
7			(renewal)
8	<del>13.</del> <u>14.</u>	Bottle Club License.....	\$1,000.00
9			(initial license)
10			\$900.00
11			(renewal)
12	<del>14.</del> <u>15.</u>	Caterer License.....	\$1,005.00
13			(initial license)
14			\$905.00
15			(renewal)
16	<del>15.</del> <u>16.</u>	Annual Special Event License.....	\$55.00
17	<del>16.</del> <u>17.</u>	Quarterly Special Event License.....	\$55.00
18	<del>17.</del> <u>18.</u>	Hotel Beverage License.....	\$1,005.00
19			(initial license)
20			\$905.00
21			(renewal)
22	<del>18.</del> <u>19.</u>	Airline/Railroad Beverage License.....	\$1,005.00
23			(initial license)
24			\$905.00

(renewal)

<del>19.</del> <u>20.</u>	Agent License.....	\$55.00
<del>20.</del> <u>21.</u>	Employee License.....	\$30.00
<del>21.</del> <u>22.</u>	Industrial License.....	\$23.00
<del>22.</del> <u>23.</u>	Carrier License.....	\$23.00
<del>23.</del> <u>24.</u>	Private Carrier License.....	\$23.00
<del>24.</del> <u>25.</u>	Bonded Warehouse License.....	\$190.00
<del>25.</del> <u>26.</u>	Storage License.....	\$23.00
<del>26.</del> <u>27.</u>	Nonresident Seller License.....	\$750.00
<del>27.</del> <u>28.</u>	Manufacturers Agent License.....	\$55.00
<del>28.</del> <u>29.</u>	Sacramental Wine Supplier License.....	\$100.00
<del>29.</del> <u>30.</u>	Charitable Auction License.....	\$1.00
<del>30.</del> <u>31.</u>	Charitable Alcoholic Beverage License.....	\$55.00
<del>31.</del> <u>32.</u>	Winemaker Self-distribution License.....	\$750.00
<del>32.</del> <u>33.</u>	Small Farm Winery License.....	\$1.00
<del>33.</del> <u>34.</u>	Annual Public Event License.....	\$1005.00
<del>34.</del> <u>35.</u>	One-time Public Event License.....	\$255.00
<u>36.</u>	<u>Commercial Carrier License</u> .....	<u>\$100.00</u>

There shall be added to the initial or renewal fees for a Mixed Beverage License an administrative fee, which shall not be deemed to be a license fee, in the amount of Five Hundred Dollars (\$500.00), which shall be paid at the same time and in the same manner as the license fees prescribed by paragraph 10 of this subsection; provided, this fee shall not be assessed against service

1 organizations or fraternal beneficiary societies which are exempt  
2 under Section 501(c)(19), (8) or (10) of the Internal Revenue Code.  
3 There shall be added to the fee for a Mixed Beverage/Caterer  
4 Combination License an administrative fee, which shall not be deemed  
5 to be a license fee, in the amount of Two Hundred Fifty Dollars  
6 (\$250.00), which shall be paid at the same time and in the same  
7 manner as the license fee prescribed by paragraph 11 of this  
8 subsection.

9 B. Notwithstanding the provisions of subsection A of this  
10 section:

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

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

21 3. The renewal fee for an airline/railroad beverage license  
22 held by a railroad described in 49 U.S.C., Section 24301, shall be  
23 One Hundred Dollars (\$100.00).  
24

1 C. An applicant may apply for and receive both a beer and wine  
2 license and a caterer license.

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

7 E. The holder of a license, issued by the ABLE Commission, for  
8 a bottle club located in a county of this state where the sale of  
9 alcoholic beverages by the individual drink for on-premises  
10 consumption has been authorized, may exchange the bottle club  
11 license for a mixed beverage license or a beer and wine license and  
12 operate the licensed premises as a mixed beverage establishment or a  
13 beer and wine establishment subject to the provisions of the  
14 Oklahoma Alcoholic Beverage Control Act. There shall be no  
15 additional fee for such exchange and the mixed beverage license or  
16 beer and wine license issued shall expire one (1) year from the date  
17 of issuance of the original bottle club license.

18 F. In addition to the applicable licensing fee, the following  
19 surcharge shall be assessed annually on the following licenses:

- |    |   |            |
|----|---|------------|
| 20 | 1. Nonresident Seller.....                        | \$2,500.00 |
| 21 | 2. Wholesaler.....                                | \$2,500.00 |
| 22 | 3. Class B Wholesaler without an active low-point |            |
| 23 | beer license.....                                 | \$1,000.00 |
| 24 |   |            |

- 1 4. Class B Wholesaler with an active low-point  
2 beer license..... \$1,500.00
- 3 5. Package Store for cities and towns over 5,000  
4 population..... \$250.00
- 5 6. Package Store for cities and towns from 2,501  
6 to 5,000 population..... \$200.00
- 7 7. Package Store for cities and towns from 200 to  
8 2,500 population..... \$150.00
- 9 8. Mixed Beverage..... \$25.00
- 10 9. Mixed Beverage/Caterer Combination..... \$25.00
- 11 10. Caterer..... \$25.00
- 12 11. Beer and Wine..... \$25.00
- 13 12. Annual Public Event License..... \$25.00

14 The surcharge shall be paid concurrent with the licensee's  
15 annual licensing fee and shall be deposited in the ABLE Commission  
16 Revolving Fund established pursuant to Section 567 of this title.

17 SECTION 2. AMENDATORY 37 O.S. 2011, Section 521, as last  
18 amended by Section 2, Chapter 275, O.S.L. 2015 (37 O.S. Supp. 2015,  
19 Section 521), is amended to read as follows:

20 Section 521. A. A brewer license shall authorize the holder  
21 thereof: To manufacture, bottle, package, and store beer on  
22 licensed premises; to sell beer in this state to holders of Class B  
23 wholesaler licenses and retail licenses and to sell beer out of this  
24 state to qualified persons; and to serve free samples of beer

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

19 B. A distiller license shall authorize the holder thereof: To  
20 manufacture, bottle, package, and store spirits on licensed  
21 premises; to sell spirits in this state to licensed wholesalers and  
22 manufacturers only; to sell spirits out of this state to qualified  
23 persons; to purchase from licensed distillers and rectifiers in this  
24

1 state, and import spirits from without this state for manufacturing  
2 purposes in accordance 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 Alcohol and Tobacco Tax and Trade Bureau; to sell wine in this state  
10 to licensed wholesalers and manufacturers; to sell bottles of wine  
11 produced at the winery from grapes and other fruits and berries  
12 grown in this state, if available, to consumers on the premises of  
13 the winery; to serve visitors on the licensed premises samples of  
14 wine produced on the premises; to serve samples of wine produced at  
15 the winery at festivals and trade shows; to sell wine produced at  
16 the winery, in original sealed containers, at festivals and trade  
17 shows; to sell wine out of this state to qualified persons; to  
18 purchase from licensed winemakers, distillers and rectifiers in this  
19 state, and to import into this state wine, brandy and fruit spirits  
20 for use in manufacturing in accordance with federal laws and  
21 regulations; provided, a winemaker either within or without this  
22 state that annually produces no more than ten thousand (10,000)  
23 gallons of wine may elect to sell and self-distribute the wine  
24

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

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

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

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

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

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

5 E. 1. A direct-ship winemaker license shall authorize the  
6 holder thereof: To sell wine produced on its licensed premises  
7 directly to individual consumers in this state by means or use of  
8 the Internet or by telephone, electronic transmission or mail orders  
9 originating directly from the individual consumer who is verified as  
10 being at least twenty-one (21) years of age or older and who resides  
11 in this state; to ship no more than two (2) cases per year of wine  
12 produced on its licensed premises to any individual consumer who has  
13 ordered wine from the licensed winemaker by means of the Internet or  
14 by telephone, electronic transmission or mail order only via  
15 commercial ground carrier authorized to operate in this state; and  
16 to collect and remit all state and local taxes required by this  
17 state or its political subdivisions upon the sale, transport or  
18 shipment of wine within this state or as may be required by another  
19 state or the federal government on such purchases or shipments. The  
20 direct-ship winemaker license shall require the holder thereof to  
21 provide a detailed written report clearly showing all taxes due or  
22 collected and remitted to this state or any other governmental  
23 entity, the actual retail price on all product sales made to  
24 individual consumers in this state, and the details of all shipments

1 delivered within this state to individual consumers. Such reports  
2 shall be made not less than quarterly or as may be requested by the  
3 ABLE Commission. The reports shall be maintained for a three-year  
4 period and made available to the ABLE Commission upon request for  
5 audit or review.

6 2. All wine shipped to an ultimate consumer by the holder of  
7 the direct-ship winemaker license must be in a package that is  
8 clearly and conspicuously labeled showing that:

- 9 a. the package contains wine, and  
10 b. the package may be delivered only to a person  
11 described in subparagraphs 3 and 4 of this subsection.

12 3. Wine shipped by the holder of the direct-ship winemaker  
13 license may not be delivered to any person other than:

- 14 a. the person who purchased the wine,  
15 b. a recipient designated in advance by such purchaser,  
16 or  
17 c. a person at the delivery address who is age twenty-one  
18 (21) years or older.

19 4. Wine may be delivered only to a person who is age twenty-one  
20 (21) years or older after the person accepting the package:

- 21 a. presents valid proof of identity and age, and  
22 b. personally signs a receipt acknowledging delivery of  
23 the package.

24 5. The holder of the direct-ship winemaker license may not:

- 1           a. sell or ship wine to a minor,  
2           b. deliver wine to a consumer using a carrier that does  
3           not hold a valid carrier's permit granted by the  
4           Alcoholic Beverage Laws Enforcement Commission, or  
5           c. deliver to the same consumer in this state more than  
6           two cases of wine within any twelve-month period.

7           F. 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.~~ G. 1. A wholesaler license shall authorize the holder  
16 thereof: To purchase and import into this state spirits and wines  
17 from persons authorized to sell same who are the holders of a  
18 nonresident 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. H. 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.~~ I. A package store license shall authorize the holder  
10 thereof: To purchase alcohol, spirits, beer, and wine in retail  
11 containers from the holder of a brewer, wholesaler or Class B  
12 wholesaler license and to purchase wine from a winemaker who is  
13 permitted and has elected to self-distribute as provided in Section  
14 3 of Article XXVIII of the Oklahoma Constitution and to sell same on  
15 the licensed premises in such containers to consumers for off-  
16 premises consumption only and not for resale; provided, wine, beer,  
17 and spirits may be sold to charitable organizations that are holders  
18 of 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 ~~H.~~ J. A mixed beverage license shall authorize the holder  
22 thereof: To purchase alcohol, spirits, beer or wine in retail  
23 containers from the holder of a wholesaler or Class B wholesaler  
24 license or as specifically provided by law and to sell, offer for

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

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

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

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

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

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

22 ~~L.~~ M. 1. An annual special event license shall authorize the  
23 holder thereof: To sell and distribute mixed beverages for  
24 consumption on the premises for which the license has been issued

1 for up to four events to be held over a period not to exceed one (1)  
2 year, not to exceed two such events in any three-month period. For  
3 purposes of this paragraph, an event shall not exceed a period of  
4 ten (10) consecutive days. An annual special event license shall  
5 only be issued in counties of this state where the sale of alcoholic  
6 beverages by the individual drink for on-premises consumption has  
7 been authorized. The holder of an annual special event license  
8 shall provide written notice to the ABLE Commission of each special  
9 event not less than ten (10) days before the event is held.

10 2. A quarterly special event license shall authorize the holder  
11 thereof: To sell and distribute mixed beverages for consumption on  
12 the premises for which the license has been issued for up to three  
13 events to be held over a period not to exceed three (3) months. For  
14 purposes of this paragraph, an event shall not exceed a period of  
15 ten (10) consecutive days. A quarterly special event license shall  
16 only be issued in counties of this state where the sale of alcoholic  
17 beverages by the individual drink for on-premises consumption has  
18 been authorized. The holder of a quarterly special event license  
19 shall provide written notice to the ABLE Commission of each special  
20 event not less than ten (10) days before the event is held.

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

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

22 4. A one-time public event license shall authorize the holder  
23 thereof: To sell and distribute mixed beverages for consumption on  
24 the premises for which the license has been issued. The applicant

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

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

1 consumption has been authorized. A hotel beverage license shall  
2 only be issued to a hotel or motel as defined by Section 506 of this  
3 title which is also the holder of a mixed beverage license.

4 Provided, that application may be made simultaneously for both such  
5 licenses. A separate license shall be required for each place of  
6 business.

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

23 O. P. An agent license shall authorize the holder thereof: To  
24 represent only the holders of licenses within this state, other than

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

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

1 special event, caterer, unless catering a mixed beverage licensed  
2 premises, or airline/railroad beverage licensees shall not be  
3 required to obtain an employee license. Persons employed by a hotel  
4 licensee who participate in the stocking of hotel room mini-bars or  
5 in the handling of alcoholic beverages to be placed in such devices  
6 shall be required to have an employee license.

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

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

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

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

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

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

23 No provisions of the Oklahoma Alcoholic Beverage Control Act  
24 shall apply to alcohol withdrawn by any person free of federal tax

1 under a tax-free permit issued by the United States government, if  
2 such alcohol is received, stored, and used as authorized by federal  
3 laws.

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

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

1 and from such licensed premises to the licensed premises of the  
2 purchaser in vehicles owned or leased by such licensee when such  
3 transportation is for a lawful purpose and not for hire.

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

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

1        ~~U.~~ V. 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.~~ W. 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.~~ X. A beer and wine license shall authorize the holder  
22 thereof: To purchase beer and wine in retail containers from the  
23 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 beer and wine for on-premises consumption only; provided, the holder  
2 of a beer and wine license issued for an establishment which is also  
3 a restaurant may purchase wine from a winemaker who is permitted and  
4 has elected to self-distribute as provided in Section 3 of Article  
5 XXVIII of the 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.~~ Y. A charitable auction or charitable alcoholic beverage  
18 event 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.~~ Z. A mixed beverage/caterer combination license shall  
13 authorize the holder thereof: To purchase or sell mixed beverages  
14 as 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.~~ AA. A commercial carrier license may be issued to any  
9 private ground carrier operating under the proper certificate issued  
10 by any duly authorized federal or state regulatory agency; provided,  
11 however, the carrier must be primarily in the business of individual  
12 package delivery directly to an individual's private address and not  
13 transport of common freight to a business address. Such license  
14 shall authorize the holder thereof to transport wine into, within or  
15 without this state, when sold directly to the ultimate consumer who  
16 resides in this state by a winemaker or winery located in this state  
17 or located out-of-state under such terms, conditions, limitations  
18 and restrictions as the ABLE Commission may prescribe by order  
19 issuing such license and by law or regulations. Any winemaker or  
20 winery seeking to ship its wine directly to the ultimate consumer  
21 who resides within this state must hold a valid winemaker license  
22 issued by this state or an Oklahoma winemaker license, and  
23 additionally must hold a direct-ship winemaker license issued by  
24 this state. Any licensed winemaker or winery located within this

1 state that additionally holds a direct-ship winemaker license issued  
2 by this state may ship its wine from Oklahoma to the ultimate  
3 consumer who resides out-of-state under the laws regulating shipment  
4 of wine into the other state. The ABLE Commission may require a  
5 written contract between the State of Oklahoma and the commercial  
6 carrier in conjunction with the issuance of a commercial carrier  
7 wine transport license. Such contract shall be for the purpose of  
8 enforcement of the tax laws of this state, enforcement of any law or  
9 regulation relating to alcoholic beverages, or as otherwise deemed  
10 necessary or appropriate by the ABLE Commission or the Oklahoma Tax  
11 Commission.

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

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

1 political subdivision of this state shall interfere with the ABLE  
2 Commission's regulation of, or a wholesaler's performance of, the  
3 sale, distribution, possession, handling or marketing of alcoholic  
4 beverages on any premises of any licensee as defined in Section 506  
5 of this title.

6 SECTION 3. This act shall become effective upon certification  
7 of election returns favoring passage of the Constitutional Amendment  
8 proposed in Senate Joint Resolution No. \_\_\_\_\_ of the 2nd Session of  
9 the 55th Oklahoma Legislature.

10  
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