

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE BILL 424

By: Crain

AS INTRODUCED

An Act relating to intoxicating liquors; amending 37 O.S. 2011, Section 521, as last amended by Section 4, Chapter 298, O.S.L. 2014 (37 O.S. Supp. 2014, Section 521), which relates to acts authorized by licensees; allowing sale of beer to consumer on premises of brewery; modifying language; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 37 O.S. 2011, Section 521, as last amended by Section 4, Chapter 298, O.S.L. 2014 (37 O.S. Supp. 2014, Section 521), is amended to read as follows:

Section 521. A. A brewer license shall authorize the holder thereof: To manufacture, bottle, package, and store beer on licensed premises; to sell beer in this state to holders of Class B wholesaler licenses and retail licenses and to sell beer out of this state to qualified persons; to sell beer produced by the licensee to consumers twenty-one (21) years of age or older on the premises of the brewery; and to serve free samples of beer produced by the licensee to visitors twenty-one (21) years of age or older. For

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15 withdrawn from the brewery for "use or consumption" within the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

18 B. A distiller license shall authorize the holder thereof: To
19 manufacture, bottle, package, and store spirits on licensed
20 premises; to sell spirits in this state to licensed wholesalers and
21 manufacturers only; to sell spirits out of this state to qualified
22 persons; to purchase from licensed distillers and rectifiers in this
23 state, and import spirits from without this state for manufacturing
24 purposes in accordance with federal laws and regulations.

1 C. A winemaker license shall authorize the holder thereof: To
2 manufacture (including such mixing, blending and cellar treatment as
3 authorized by federal law), bottle, package, and store on licensed
4 premises wine containing not more than twenty-four percent (24%)
5 alcohol by volume, provided the bottle or package sizes authorized
6 shall be limited to the capacities approved by the United States
7 Alcohol and Tobacco Tax and Trade Bureau; to sell wine in this state
8 to licensed wholesalers and manufacturers; to sell bottles of wine
9 produced at the winery from grapes and other fruits and berries
10 grown in this state, if available, to consumers on the premises of
11 the winery; to serve visitors on the licensed premises samples of
12 wine produced on the premises; to serve samples of wine produced at
13 the winery at festivals and trade shows; to sell wine produced at
14 the winery, in original sealed containers, at festivals and trade
15 shows; to sell wine out of this state to qualified persons; to
16 purchase from licensed winemakers, distillers and rectifiers in this
17 state, and to import into this state wine, brandy and fruit spirits
18 for use in manufacturing in accordance with federal laws and
19 regulations; provided, a winemaker either within or without this
20 state that annually produces no more than ten thousand (10,000)
21 gallons of wine may elect to sell and self-distribute the wine
22 produced by such winemaker directly to licensed retail package
23 stores and restaurants in this state; and provided further that:

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

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

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

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

1 Beverage Control Act and such rules as the ABLE Commission shall
2 adopt.

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

11 F. 1. A wholesaler license shall authorize the holder thereof:
12 To purchase and import into this state spirits and wines from
13 persons authorized to sell same who are the holders of a nonresident
14 seller license, and their agents who are the holders of
15 manufacturers agent licenses; to purchase spirits and wines from
16 licensed distillers, rectifiers and winemakers in this state; to
17 purchase spirits and wines from licensed wholesalers, to the extent
18 set forth in paragraphs 2 and 3 of this subsection; to sell in
19 retail containers in this state to retailers, mixed beverage,
20 caterer, special event, public event, hotel beverage or
21 airline/railroad beverage licensees, spirits and wines which have
22 been received and unloaded at the bonded warehouse facilities of the
23 wholesaler before such sale; to sell to licensed wholesalers, to the
24 extent set forth in paragraphs 2 and 3 of this subsection, spirits

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

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

- 20 a. the total volume of spirits sales of the wholesaler,
21 by liter, from the previous calendar year, and
- 22 b. the total volume of wine sales of the wholesaler, by
23 liter, from the previous calendar year, and
24

1 c. the volume of sales of each brand of spirits or wine
2 of the wholesaler, by liter, from the previous
3 calendar year.

4 A wholesaler who did not post any sales of spirits, wine or of a
5 particular brand in the previous calendar year shall be deemed to
6 have sold the same volume of spirits, wine or of a particular brand
7 as the wholesaler posting the smallest volumes of sales in spirits,
8 wine or of a particular brand for that year for the purposes of this
9 paragraph. Notwithstanding the foregoing, wholesalers shall not
10 purchase any inventory in spirits or wine from any other wholesaler
11 until such time that the purchasing wholesaler possesses an
12 inventory valued at no less than Two Hundred Fifty Thousand Dollars
13 (\$250,000.00). Inventory valuation shall be based on the original
14 actual price paid by the purchasing wholesaler to the nonresident
15 seller for the inventory.

16 3. A wholesaler may sell spirits and wine to other wholesalers
17 or purchase spirits and wines from other wholesalers without
18 complying with paragraph 2 of this subsection in the case of the
19 sale, purchase, or other transfer or acquisition of the entire
20 business of a wholesaler, including the inventory of spirits and
21 wine.

22 4. A wholesaler license shall authorize the holder thereof to
23 operate a single bonded warehouse with a single central office
24 together with delivery facilities at a location in this state only

1 at the principal place of business for which the wholesaler license
2 was granted.

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

15 In order to allow the ABLE Commission to determine the top
16 eighteen brands, wholesalers must submit to the ABLE Commission
17 every sixty (60) days a sworn affidavit listing their top twenty-
18 five brands in sales for the previous sixty (60) days, excluding
19 sales to wholesalers. Such affidavits shall be submitted in
20 conjunction with the original price postings of wholesalers.

21 A fifteen-day supply of a particular brand for a particular
22 wholesaler shall be based upon the market share of the wholesaler,
23 determined by first multiplying the total number of liters of such
24 brand sold by all wholesalers to all retailers during the previous

1 calendar year by the percentage that the total sales of wine and
2 spirits of the particular wholesaler, in liters, for such calendar
3 year bears to the total sales of wine and spirits, in liters,
4 reported by all wholesalers for such calendar year; and then
5 dividing by twenty-four (24); provided, that a fifteen-day supply
6 for a wholesaler who has not been in business for the entirety of
7 the previous calendar year shall be deemed to be equal to that of
8 the wholesaler who was in business for the entirety of the previous
9 calendar year and who reported the lowest volume of sales of wine
10 and spirits, in liters, of any wholesaler having been in business
11 for such period.

12 G. A Class B wholesaler license shall authorize the holder
13 thereof: To purchase and import into this state beer from persons
14 authorized to sell same who are the holders of nonresident seller
15 licenses, and their agents who are the holders of manufacturers
16 agent licenses; to purchase beer from licensed brewers and Class B
17 wholesalers in this state; to sell in retail containers to
18 retailers, mixed beverage, caterer, special event, public event,
19 hotel beverage and airline/railroad beverage licensees in this
20 state, beer which has been unloaded and stored at the holder's self-
21 owned or leased and self-operated warehouse facilities for a period
22 of at least twenty-four (24) hours before such sale; and to sell
23 beer in this state to Class B wholesalers and out of this state to
24 qualified persons, including federal instrumentalities and voluntary

1 associations of military personnel on federal enclaves in this state
2 over which this state has ceded jurisdiction.

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

14 I. A mixed beverage license shall authorize the holder thereof:
15 To purchase alcohol, spirits, beer or wine in retail containers from
16 the holder of a wholesaler or Class B wholesaler license or as
17 specifically provided by law and to sell, offer for sale and possess
18 mixed beverages for on-premises consumption only; provided, the
19 holder of a mixed beverage license issued for an establishment which
20 is also a restaurant may purchase wine directly from a winemaker who
21 is permitted and has elected to self-distribute as provided in
22 Section 3 of Article XXVIII of the Oklahoma Constitution.

23 Sales and service of mixed beverages by holders of mixed
24 beverage licenses shall be limited to the licensed premises of the

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

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

18 K. A caterer license shall authorize the holder thereof: To
19 sell mixed beverages for on-premises consumption incidental to the
20 sale or distribution of food at particular functions, occasions, or
21 events which are temporary in nature. A caterer license shall not
22 be issued in lieu of a mixed beverage license. A caterer license
23 shall only be issued in counties of this state where the sale of
24 alcoholic beverages by the individual drink for on-premises

1 consumption has been authorized. A separate license shall be
2 required for each place of business.

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

15 2. A quarterly special event license shall authorize the holder
16 thereof: To sell and distribute mixed beverages for consumption on
17 the premises for which the license has been issued for up to three
18 events to be held over a period not to exceed three (3) months. For
19 purposes of this paragraph, an event shall not exceed a period of
20 ten (10) consecutive days. A quarterly special event license shall
21 only be issued in counties of this state where the sale of alcoholic
22 beverages by the individual drink for on-premises consumption has
23 been authorized. The holder of a quarterly special event license
24

1 shall provide written notice to the ABLE Commission of each special
2 event not less than ten (10) days before the event is held.

3 3. An annual public event license shall authorize the holder
4 thereof: to sell and distribute mixed beverages for consumption on
5 the premises for which the license has been issued for up to six
6 events to be held over a period not to exceed one (1) calendar year.
7 For purposes of this paragraph, an event shall not exceed a period
8 of three (3) consecutive days. An annual public event license shall
9 only be issued in counties of this state where the sale of alcoholic
10 beverages by the individual drink for on-premises consumption has
11 been authorized. The holder of an annual public event license shall
12 provide written notice to the ABLE Commission of each promoted
13 public event not less than ten (10) days before the event is held.
14 A public event license shall not be used in lieu of a mixed beverage
15 license.

16 4. A one-time public event license shall authorize the holder
17 thereof: to sell and distribute mixed beverages for consumption on
18 the premises for which the license has been issued. For purposes of
19 this paragraph, an event shall not exceed a period of three (3)
20 consecutive days. A public event 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.
23 The holder of a public event license shall provide written notice to
24 the ABLE Commission of each public event not less than ten (10) days

1 before the event is held. A public event license shall not be used
2 in lieu of a mixed beverage license.

3 M. A hotel beverage license shall authorize the holder thereof:

4 To sell or serve alcoholic beverages in 50 milliliter spirits, 187
5 milliliter wine, and 12-ounce malt beverage containers which are
6 distributed from a hotel room mini-bar. A hotel beverage license
7 shall only be issued in counties of this state where the sale of
8 alcoholic beverages by the individual drink for on-premises
9 consumption has been authorized. A hotel beverage license shall
10 only be issued to a hotel or motel as defined by Section 506 of this
11 title which is also the holder of a mixed beverage license.

12 Provided, that application may be made simultaneously for both such
13 licenses. A separate license shall be required for each place of
14 business.

15 N. An airline/railroad beverage license shall authorize the
16 holder thereof: To sell or serve alcoholic beverages in or from any
17 size container on a commercial passenger airplane or railroad
18 operated in compliance with a valid license, permit or certificate
19 issued under the authority of the United States or this state, even
20 though the airplane or train, in the course of its travel, may cross
21 an area in which the sale of alcoholic beverages by the individual
22 drink is not authorized and to store alcoholic beverages in sealed
23 containers of any size at any airport or station regularly served by
24 the licensee, in accordance with rules promulgated by the Alcoholic

1 Beverage Laws Enforcement Commission. Alcoholic beverages purchased
2 by the holder of an airline/railroad license from the holder of a
3 wholesaler license shall be presumed to be purchased for consumption
4 outside the State of Oklahoma or in interstate commerce, and shall
5 be exempt from the excise tax provided for in Section 553 of this
6 title.

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

19 P. An employee license shall authorize the holder thereof: To
20 work in a package store, mixed beverage establishment, bottle club,
21 public event or any establishment where alcohol or alcoholic
22 beverages are sold, mixed, or served. Persons employed by a mixed
23 beverage licensee, public event licensee or a bottle club who do not
24 participate in the service, mixing, or sale of mixed beverages shall

1 not be required to have an employee license. Provided, however,
2 that a manager employed by a mixed beverage licensee, public event
3 licensee or a bottle club shall be required to have an employee
4 license whether or not the manager participates in the service,
5 mixing or sale of mixed beverages. Applicants for an employee
6 license must have a health card issued by the county in which they
7 are employed, if the county issues such a card. Employees of
8 special event, caterer or airline/railroad beverage licensees shall
9 not be required to obtain an employee license. Persons employed by
10 a hotel licensee who participate in the stocking of hotel room mini-
11 bars or in the handling of alcoholic beverages to be placed in such
12 devices shall be required to have an employee license.

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

15 1. Manufacture of patent, proprietary, medicinal,
16 pharmaceutical, antiseptic, and toilet preparations;

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

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

21 No other provisions of the Oklahoma Alcoholic Beverage Control
22 Act shall apply to alcohol intended for industrial, medical,
23 mechanical, or scientific use.
24

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

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

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

20 S. A private carrier license may be issued to any carrier other
21 than a common carrier described in subsection Q of this section.
22 Such license shall authorize the holder thereof to transport
23 alcoholic beverages other than wine sold directly by a winemaker or
24 winery to a retail package store or restaurant into, within, or out

1 of this state under such terms, conditions, limitations, and
2 restrictions as the ABLE Commission may prescribe by order issuing
3 such license and by regulations. No carrier license or private
4 carrier license shall be required of licensed brewers, distillers,
5 winemakers, rectifiers, wholesalers, or Class B wholesalers, to
6 transport alcoholic beverages from the place of purchase or
7 acquisition to the licensed premises of such licensees and from such
8 licensed premises to the licensed premises of the purchaser in
9 vehicles owned or leased by such licensee when such transportation
10 is for a lawful purpose and not for hire.

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

21 T. A bonded warehouse license shall authorize the holder
22 thereof: To receive and store alcoholic beverages for the holders of
23 storage licenses on the licensed premises of the bonded warehouse
24 licensee. No goods, wares or merchandise other than alcoholic

1 beverages may be stored in the same bonded warehouse with alcoholic
2 beverages. The holder of a bonded warehouse license shall furnish
3 and file with the ABLE Commission a bond running to all bailers of
4 alcoholic beverages under proper storage licenses and their
5 assignees (including mortgagees or other bona fide lienholders)
6 conditioned upon faithful performance of the terms and conditions of
7 such bailments.

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

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

21 2. Any licensee who is the holder of a mixed beverage/caterer
22 combination license or the holder of a mixed beverage license and a
23 hotel beverage license who is issued a storage license shall store
24

1 all inventories of alcoholic beverages either on the premises of the
2 mixed beverage establishment or in the warehouse;

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

5 4. A storage license shall be required for a public event
6 licensee storing alcoholic beverages for use at a subsequent event;
7 and

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

21 V. A sacramental wine supplier license shall authorize the
22 holder thereof: To sell, ship or deliver sacramental wine to any
23 religious corporation or society of this state holding a valid
24 exemption from taxation issued pursuant to Section 501(a) of the

1 Internal Revenue Code, 1986, and listed as an exempt organization in
2 Section 501(c)(3) of the Internal Revenue Code, 1986, of the United
3 States, as amended.

4 W. A beer and wine license shall authorize the holder thereof:
5 To purchase beer and wine in retail containers from the holder of a
6 wholesaler or Class B wholesaler license or as specifically provided
7 by law and to sell, offer for sale and possess beer and wine for on-
8 premises consumption only; provided, the holder of a beer and wine
9 license issued for an establishment which is also a restaurant may
10 purchase wine from a winemaker who is permitted and has elected to
11 self-distribute as provided in Section 3 of Article XXVIII of the
12 Oklahoma Constitution.

13 Sales and service of beer and wine by holders of beer and wine
14 licenses shall be limited to the licensed premises of the licensee
15 unless the holder of the beer and wine license also obtains a
16 caterer license. A beer and wine license shall only be issued in
17 counties of this state where the sale of alcoholic beverages by the
18 individual drink for on-premises consumption has been authorized. A
19 separate license shall be required for each place of business. No
20 beer and wine license shall be issued for any place of business
21 functioning as a motion picture theater, as defined by Section 506
22 of this title. No spirits shall be stored, possessed or consumed on
23 the licensed premises of a beer and wine licensee.
24

1 X. A charitable auction or charitable alcoholic beverage event
2 license may be issued to a charitable organization exempt from
3 taxation under Section 501(c)(3), (4), (5), (7), (8), (9), (10), or
4 (19) of the United States Internal Revenue Code. The charitable
5 alcoholic beverage event license shall authorize the holder thereof
6 to conduct a wine, spirit and/or beer event which may consist of one
7 or more of a wine, spirit and/or beer tasting event, a wine, spirit
8 and/or beer dinner event or a wine, spirit and/or beer auction,
9 which may be either a live auction conducted by an auctioneer or a
10 silent auction for which:

11 1. Bid sheets are accepted from interested bidders at the
12 event;

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

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

17 A charitable alcoholic beverage event shall be conducted solely
18 to raise funds for charitable purposes. A charitable alcoholic
19 beverage license will allow the event attendees access to tastings,
20 samples, dinners and alcoholic beverages as parts of their entrance
21 fee or ticket price. Wine, spirits and/or beer used in, served, or
22 consumed at a charitable alcoholic beverage event may be purchased
23 by the charitable organization or donated by any person or entity.
24 The charitable alcoholic beverage event license shall be issued for

1 a period not exceeding four (4) days. Only eight such licenses may
2 be issued to an organization in any twelve-month period. The
3 charitable organization holding a charitable alcoholic beverage
4 event license shall not be required to obtain a special event
5 license. Charitable auction and charitable alcoholic beverage event
6 license holders may also utilize a licensed caterer to provide
7 additional alcohol services at the event and on the premises. The
8 charitable auction license shall authorize the holder thereof to
9 auction wine, spirits and/or beer purchased from a retail package
10 store or received as a gift from an individual if the auction is
11 conducted to raise funds for charitable purposes. The charitable
12 auction license shall be issued for a period not to exceed two (2)
13 days. Only four such licenses shall be issued to an organization in
14 any twelve-month period. The maximum amount of wine, spirits and/or
15 beer auctioned pursuant to the charitable auction license shall not
16 exceed fifty (50) gallons. All wines auctioned pursuant to the
17 charitable auction license shall be registered and all fees and
18 taxes shall be paid in accordance with the Oklahoma Alcoholic
19 Beverage Control Act.

20 Y. A mixed beverage/caterer combination license shall authorize
21 the holder thereof: To purchase or sell mixed beverages as
22 specifically provided by law for the holder of a mixed beverage
23 license or a caterer license. All provisions of the Oklahoma
24 Alcoholic Beverage Control Act applicable to mixed beverage licenses

1 or caterer licenses, or the holders thereof, shall also be
2 applicable to mixed beverage/caterer combination licenses or the
3 holders thereof, except where specifically otherwise provided. A
4 mixed beverage/caterer combination license shall only be issued in
5 counties of this state where the sale of alcoholic beverages by the
6 individual drink for on-premises consumption has been authorized. A
7 separate license shall be required for each place of business.

8 Z. In the event any portion of this section is declared invalid
9 for any reason, the invalid portion shall be severed and the rest
10 and remainder of the section shall be saved and given full force and
11 application.

12 AA. Except as provided in Sections 554.1 and 554.2 of this
13 title with respect to cities, towns and counties, and except as may
14 be provided under Title 68 of the Oklahoma Statutes with respect to
15 the Oklahoma Tax Commission, no license or permit other than
16 licenses as provided under the Oklahoma Alcoholic Beverage Control
17 Act shall be required of any licensee by any agency, instrumentality
18 or political subdivision of this state to engage in any activity
19 covered by the Oklahoma Alcoholic Beverage Control Act anywhere
20 within the State of Oklahoma and no agency, instrumentality or
21 political subdivision of this state shall interfere with the ABLE
22 Commission's regulation of, or a wholesaler's performance of, the
23 sale, distribution, possession, handling or marketing of alcoholic
24

1 beverages on any premises of any licensee as defined in Section 506
2 of this title.

3 SECTION 2. This act shall become effective July 1, 2015.

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

8
9 55-1-88 NP 2/18/2016 7:06:42 PM