

## COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1173 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by  
inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Elise Hall

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

PROPOSED  
COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 1173

By: David of the Senate

and

Hall of the House

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to alcoholic beverages; amending 37 O.S. 2011, Section 521, as last amended by Section 4, Chapter 381, O.S.L. 2017 (37 O.S. Supp. 2017, Section 521), which relates to acts authorized by various licenses; modifying authorizations for wholesale license holders; amending 37 O.S. 2011, Section 573, which relates to registration of labels; allowing a nonresident seller to transfer brand registration; amending Section 2, Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2017, Section 1-102), which relates to the Oklahoma Alcoholic Beverage Control Act; stating legislative intent; amending Section 3, Chapter 366, O.S.L. 2016, as amended by Section 5, Chapter 381, O.S.L. 2017 (37A O.S. Supp. 2017, Section 1-103), which relates to the Oklahoma Alcoholic Beverage Control Act; defining terms; modifying definitions; amending Section 4, Chapter 366, O.S.L. 2016, as amended by Section 9, Chapter 364, O.S.L. 2017 (37A O.S. Supp. 2017, Section 1-104), which relates to the Alcoholic Beverage Laws Enforcement Commission; allowing wine and spirits wholesalers to make certain designations; amending Section 8, Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2017, Section 1-108), which relates to ABLE Commission Director powers and duties; modifying duties of Director; amending Section 13, Chapter 366, O.S.L. 2016, as amended by Section 10, Chapter 364, O.S.L. 2017 (37A O.S. Supp. 2017, Section 2-101), which relates to license fees; modifying and adding names for certain licenses;

1 specifying license fees; amending Section 19, Chapter  
2 366, O.S.L. 2016, as amended by Section 11, Chapter  
3 364, O.S.L. 2017 (37A O.S. Supp. 2017, Section 2-  
4 107), which relates to wine and spirits wholesaler  
5 licenses; modifying certain authorizations for  
6 license holders; amending Section 32, Chapter 366,  
7 O.S.L. 2016 (37A O.S. Supp. 2017, Section 2-120),  
8 which relates to wholesaler's agent licenses;  
9 modifying license authorizations; disallowing certain  
10 applicants to hold a license; amending Section 37,  
11 Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2017,  
12 Section 2-125), which relates to bonded warehouse  
13 licenses; allowing licensees to receive and store  
14 nonalcoholic beverages; amending Section 47, Chapter  
15 366, O.S.L. 2016 (37A O.S. Supp. 2017, Section 2-  
16 135), which relates to nonresident licenses;  
17 modifying license requirements for certain out-of-  
18 state sellers; amending Section 48, Chapter 366,  
19 O.S.L. 2016 (37A O.S. Supp. 2017, Section 2-136),  
20 which relates to manufacturer's agent licenses;  
21 designating individuals that may solicit or take  
22 orders for certain forms of alcohol; amending Section  
23 60, Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2017,  
24 Section 2-148), which relates to revocation of  
licenses; modifying grounds to revoke or suspend  
certain licenses; amending Section 79, Chapter 366,  
O.S.L. 2016 (37A O.S. Supp. 2017, Section 3-109),  
which relates to transportation of beer; modifying  
procedure for transportation of beer; amending  
Section 80, Chapter 366, O.S.L. 2016, as amended by  
Section 15, Chapter 364, O.S.L. 2017 (37A O.S. Supp.  
2017, Section 3-110), which relates to beer price  
discrimination; modifying procedure for the  
transportation of beer; amending Section 86, Chapter  
366, O.S.L. 2016, as amended by Section 17, Chapter  
364, O.S.L. 2017 (37A O.S. Supp. 2017, Section 3-  
116), which relates to sale of alcoholic beverages to  
wholesalers; describing procedure for distribution to  
wholesalers by designating manufacturer; amending  
Section 19, Chapter 364, O.S.L. 2017 (37A O.S. Supp.  
2017, Section 3-116.2), which relates to posting  
requirements for designated wholesalers; modifying  
effective date; amending Section 98, Chapter 366,  
O.S.L. 2016 (37A O.S. Supp. 2017, Section 4-101),  
which relates to authority of municipalities to enact  
ordinances; disallowing municipalities to enact  
ordinances criminalizing conduct; amending Section

1 135, Chapter 366, O.S.L. 2016, as amended by Section  
2 23, Chapter 364, O.S.L. 2017 (37A O.S. Supp. 2017,  
3 Section 5-132), which relates to brand labeling;  
4 modifying application procedure for registration of  
5 brand labeling; amending Section 141, Chapter 366,  
6 O.S.L. 2016 (37A O.S. Supp. 2017, Section 6-101),  
7 which relates to prohibited acts; allowing for  
8 consumption of wine and beer in certain public  
9 spaces; amending Section 145, Chapter 366, O.S.L.  
10 2016, as amended by Section 2, Chapter 366, O.S.L.  
11 2017 (37A O.S. Supp. 2017, Section 6-105), which  
12 relates to prohibited acts of licensees; allowing  
13 certain exception to entrance of designated bar area  
14 where spirits are sold; amending Section 165, Chapter  
15 366, O.S.L. 2016 (37A O.S. Supp. 2017, Section 6-  
16 125), which relates to penalties for violations of  
17 Oklahoma Alcoholic Beverage Control Act; specifying  
18 penalty for violations when no specific  
19 administrative or civil penalty is prescribed;  
20 modifying penalties; repealing 37 O.S. 2011, Sections  
21 521, as last amended by Section 1 of this act and  
22 573, as amended by Section 2 of this act, which  
23 relate to intoxicating beverages; providing effective  
24 dates; 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 381, O.S.L. 2017 (37 O.S. Supp. 2017,  
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

1 licensee to visitors twenty-one (21) years of age or older. For  
2 purposes of this section, no visitor may sample more than a total of  
3 twelve (12) fluid ounces of beer per day. The brewer must restrict  
4 the distribution and consumption of beer samples to an area within  
5 the licensed premises designated by the brewer. A current floor  
6 plan that includes the designated sampling area must be on file with  
7 the Oklahoma Alcoholic Beverage Laws Enforcement (ABLE) Commission.  
8 No visitor under twenty-one (21) years of age shall be permitted to  
9 enter this designated sampling area when samples are being  
10 distributed or consumed. Samples and sales may only be distributed  
11 or consumed between 10:00 a.m. and 9:00 p.m. Samples and sales of  
12 beer made or 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 and sales of beer shall be considered beer removed or  
16 withdrawn from the brewery for "use or consumption" within the  
17 meaning of Section 542 of this title for excise tax determination  
18 and reporting 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. A rectifier license shall authorize the holder thereof: To  
6 rectify spirits and wines, bottle, package, and store same on the  
7 licensed premises; to sell spirits and wines in this state to  
8 licensed wholesalers and manufacturers only; to sell spirits and  
9 wines out of this state to qualified persons; to purchase from  
10 licensed manufacturers in this state; and to import into this state  
11 for manufacturing purposes spirits and wines in accordance with  
12 federal laws and regulations.

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

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

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

- 23 a. ~~the total volume of spirits sales of the wholesaler,~~  
24 ~~by liter, from the previous calendar year, and~~

- 1           ~~b. the total volume of wine sales of the wholesaler, by~~  
2           ~~liter, from the previous calendar year, and~~  
3           ~~c. the volume of sales of each brand of spirits or wine~~  
4           ~~of the wholesaler, by liter, from the previous~~  
5           ~~calendar year.~~

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

18       ~~3.~~ A wholesaler may sell spirits and wine to other wholesalers  
19 or purchase spirits and wines from other wholesalers ~~without~~  
20 ~~complying with paragraph 2 of this subsection~~ in the case of the  
21 sale, purchase, or other transfer or acquisition of the entire  
22 business of a wholesaler, including the inventory of spirits and  
23 wine.  
24

1       4. 3. A wholesaler license shall authorize the holder thereof  
2 to operate a single bonded warehouse with a single central office  
3 together with delivery facilities at a location in this state only  
4 at the principal place of business for which the wholesaler license  
5 was granted.

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

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

~~A fifteen-day supply of a particular brand for a particular wholesaler shall be based upon the market share of the wholesaler, determined by first multiplying the total number of liters of such brand sold by all wholesalers to all retailers during the previous calendar year by the percentage that the total sales of wine and spirits of the particular wholesaler, in liters, for such calendar year bears to the total sales of wine and spirits, in liters, reported by all wholesalers for such calendar year; and then dividing by twenty-four (24); provided, that a fifteen-day supply for a wholesaler who has not been in business for the entirety of the previous calendar year shall be deemed to be equal to that of the wholesaler who was in business for the entirety of the previous calendar year and who reported the lowest volume of sales of wine and spirits, in liters, of any wholesaler having been in business for such period.~~

G. A Class B wholesaler license shall authorize the holder thereof: To purchase and import into this state beer from persons authorized to sell same who are the holders of nonresident seller licenses, and their agents who are the holders of manufacturers agent licenses; to purchase beer from licensed brewers and Class B wholesalers in this state; to sell in retail containers to retailers, mixed beverage, caterer, special event, public event, hotel beverage, and airline/railroad beverage licensees in this state, beer which has been unloaded and stored at the holder's self-

1 owned or leased and self-operated warehouse facilities for a period  
2 of at least twenty-four (24) hours before such sale; and to sell  
3 beer in this state to Class B wholesalers and out of this state to  
4 qualified persons, including federal instrumentalities and voluntary  
5 associations of military personnel on federal enclaves in this state  
6 over which this state has ceded jurisdiction.

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

19 I. A mixed beverage license shall authorize the holder thereof:  
20 To purchase alcohol, spirits, beer or wine in retail containers from  
21 the holder of a wholesaler or Class B wholesaler license or as  
22 specifically provided by law and to sell, offer for sale and possess  
23 mixed beverages for on-premises consumption only; provided, the  
24 holder of a mixed beverage license issued for an establishment which

1 is also a restaurant may purchase wine directly from a winemaker who  
2 is permitted and has elected to self-distribute as provided in  
3 Section 3 of Article XXVIII of the Oklahoma Constitution.

4 Sales and service of mixed beverages by holders of mixed  
5 beverage licenses shall be limited to the licensed premises of the  
6 licensee unless the holder of the mixed beverage license also  
7 obtains a caterer license or a mixed beverage/caterer combination  
8 license. A mixed beverage license shall only be issued in counties  
9 of this state where the sale of alcoholic beverages by the  
10 individual drink for on-premises consumption has been authorized. A  
11 separate license shall be required for each place of business. Upon  
12 application, a mixed beverage license shall be issued for any place  
13 of business functioning as a motion picture theater, as defined by  
14 Section 506 of this title. Provided, that upon proof of legal age  
15 to consume alcohol, every patron being served alcoholic beverages  
16 shall be required to wear a wrist bracelet or receive a hand stamp  
17 identifying the patron as being of legal age to consume alcohol.  
18 This requirement shall only apply inside a motion picture theater  
19 auditorium where individuals under the legal age to consume alcohol  
20 are allowed. A mixed beverage licensee whose main purpose is  
21 hosting live performance art presentations may utilize the services  
22 of a licensed caterer for its alcoholic beverage service as long as  
23 it is not open to the public more than one hundred twenty (120) days  
24 per year.

1 J. A bottle club license shall authorize the holder thereof: To  
2 store, possess and mix alcoholic beverages belonging to members of  
3 the club and to serve such alcoholic beverages for on-premises  
4 consumption to club members. A bottle club license shall only be  
5 issued in counties of this state where the sale of alcoholic  
6 beverages by the individual drink for on-premises consumption has  
7 not been authorized. A separate license shall be required for each  
8 place of business.

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

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

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

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

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

1 through the existing Mixed Beverage Tax Permit issued to his or her  
2 business by the Oklahoma Tax Commission.

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

1 M. A hotel beverage license shall authorize the holder thereof:  
2 To sell or serve alcoholic beverages in 50 milliliter spirits, 187  
3 milliliter wine, and 12-ounce malt beverage containers which are  
4 distributed from a hotel room mini-bar. A hotel beverage license  
5 shall only be issued in counties of this state where the sale of  
6 alcoholic beverages by the individual drink for on-premises  
7 consumption has been authorized. A hotel beverage license shall  
8 only be issued to a hotel or motel as defined by Section 506 of this  
9 title which is also the holder of a mixed beverage license.  
10 Provided, that application may be made simultaneously for both such  
11 licenses. A separate license shall be required for each place of  
12 business.

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

1 wholesaler license shall be presumed to be purchased for consumption  
2 outside the State of Oklahoma or in interstate commerce, and shall  
3 be exempt from the excise tax provided for in Section 553 of this  
4 title.

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

17 P. An employee license shall authorize the holder thereof: To  
18 work in a package store, mixed beverage establishment, beer and wine  
19 establishment, bottle club, public event or any establishment where  
20 alcohol or alcoholic beverages are sold, mixed, or served. Persons  
21 employed by a mixed beverage licensee, beer and wine licensee,  
22 public event licensee or a bottle club who do not participate in the  
23 service, mixing, or sale of mixed beverages shall not be required to  
24 have an employee license. Provided, however, that a manager

1 employed by a mixed beverage licensee, public event licensee or a  
2 bottle club shall be required to have an employee license whether or  
3 not the manager participates in the service, mixing or sale of mixed  
4 beverages. Applicants for an employee license must have a health  
5 card issued by the county in which they are employed, if the county  
6 issues such a card. Employees of special event, caterer, unless  
7 catering a mixed beverage licensed premises, or airline/railroad  
8 beverage licensees shall not be required to obtain an employee  
9 license. Persons employed by a hotel licensee who participate in  
10 the stocking of hotel room mini-bars or in the handling of alcoholic  
11 beverages to be placed in such devices shall be required to have an  
12 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.  
20 Provided, that upon proof of legal age to consume alcohol, every  
21 patron being served alcoholic beverages shall be required to wear a  
22 wrist bracelet or receive a hand stamp identifying the patron as  
23 being of legal age to consume alcohol. This requirement shall only  
24 apply inside a motion picture theater auditorium where individuals

1 under the legal age to consume alcohol are allowed. No spirits  
2 shall be stored, possessed or consumed on the licensed premises of a  
3 beer and wine licensee.

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

14 1. Bid sheets are accepted from interested bidders at the  
15 event;

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

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

20 A charitable alcoholic beverage event shall be conducted solely  
21 to raise funds for charitable purposes. A charitable alcoholic  
22 beverage license will allow the event attendees access to tastings,  
23 samples, dinners, and alcoholic beverages as parts of their entrance  
24 fee or ticket price. Wine, spirits and/or beer used in, served, or

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

Y. A mixed beverage/caterer combination license shall authorize the holder thereof: To purchase or sell mixed beverages as

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

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

18 Z. A small farm winery license shall authorize the holder  
19 thereof: To manufacture and bottle wines produced by that small  
20 farm winery. In addition, a small farm winery license authorizes  
21 the holder of that permit to bottle and sell wines produced by  
22 another small farm winery. In order for a small farm winery to  
23 bottle and sell another small farm winery's products, both the  
24 selling winery and the buying winery shall be small farm winery

1 permit holders. A small farm wine may display the trademarked  
2 "Oklahoma Grown" sticker available from the Oklahoma Grape Industry  
3 Council.

4 AA. In the event any portion of this section is declared  
5 invalid for any reason, the invalid portion shall be severed and the  
6 rest and remainder of the section shall be saved and given full  
7 force and application.

8 BB. Except as provided in Sections 554.1 and 554.2 of this  
9 title with respect to cities, towns and counties, and except as may  
10 be provided under Title 68 of the Oklahoma Statutes with respect to  
11 the Oklahoma Tax Commission, no license or permit other than  
12 licenses as provided under the Oklahoma Alcoholic Beverage Control  
13 Act shall be required of any licensee by any agency, instrumentality  
14 or political subdivision of this state to engage in any activity  
15 covered by the Oklahoma Alcoholic Beverage Control Act anywhere  
16 within the State of Oklahoma and no agency, instrumentality or  
17 political subdivision of this state shall interfere with the ABLE  
18 Commission's regulation of, or a wholesaler's performance of, the  
19 sale, distribution, possession, handling or marketing of alcoholic  
20 beverages on any premises of any licensee as defined in Section 506  
21 of this title.

22 SECTION 2. AMENDATORY 37 O.S. 2011, Section 573, is  
23 amended to read as follows:  
24

1       Section 573. A. Except as provided in subsection D of this  
2 section, no liquor, wine, or beer shall be labeled, offered or  
3 advertised for sale unless in accordance with such regulations and  
4 unless the brand label shall have been registered with and approved  
5 by the Alcoholic Beverage Laws Enforcement Commission and the  
6 appropriate fee paid as provided for in this section.

7       B. An application for registration of a brand label shall be  
8 filed by the owner of the brand if such owner is licensed by the  
9 ABLE Commission, however, if the owner is not licensed but is  
10 represented by a licensed nonresident seller, the nonresident seller  
11 licensee shall submit each label for each product he offers for sale  
12 in this state. Cordials and wines which differ only as to age or  
13 vintage year, as defined by such regulations, shall be considered  
14 the same brand; and those that differ as to type or class may be  
15 considered the same brand by the ABLE Commission where consistent  
16 with the purposes of this section.

17       C. The application for registration of a brand label shall be  
18 filed on a form prescribed by the ABLE Commission, and shall contain  
19 such information as the ABLE Commission shall require. Such  
20 application shall be accompanied by a certified check, bank  
21 officers' check or draft, or money order in the amount of the annual  
22 registration fee, or the properly prorated portion thereof  
23 prescribed by this section.

1 D. 1. The annual fee for registration of any brand label for  
2 liquor shall be Three Hundred Seventy-five Dollars (\$375.00); the  
3 annual fee for registration of any brand label for beer shall be Two  
4 Hundred Dollars (\$200.00); the annual fee for registration of any  
5 brand label for wine made in the United States, or for registration  
6 of any category of imported wine as defined by the ABLE Commission,  
7 shall be Two Hundred Dollars (\$200.00). Beer manufactured in this  
8 state shall be exempt from brand label registration fees.

9 2. Each brand label registered and approved pursuant to this  
10 section shall be valid for a term of up to one (1) year, expiring on  
11 the June 30 next following registration, and may be renewed for  
12 subsequent terms of one (1) year beginning on the July 1 following  
13 the initial registration. Brand registration fees for labels  
14 registered after July 1 may be prorated through the following June  
15 30 on a quarterly basis. The brand registration fee shall not be  
16 transferable, unless otherwise allowed by law. A nonresident seller  
17 may transfer brand registrations to the distiller or winery that  
18 produces those brands, provided the distiller or winery has obtained  
19 a designating manufacturer's license, at no expense to the  
20 nonresident seller, distiller or winery.

21 E. If the ABLE Commission shall deny the application for  
22 registration of a brand label it shall return the registration fee  
23 to the applicant, less twenty-five percent (25%) of such fee.  
24

1 F. The ABLE Commission may at any time exempt any discontinued  
2 brand from fee provisions of this section where a manufacturer or  
3 wholesaler has an inventory of one hundred cases or less of liquor  
4 or wine and five hundred cases or less of beer, and certifies to the  
5 ABLE Commission in writing that such brand is being discontinued.

6 SECTION 3. AMENDATORY Section 2, Chapter 366, O.S.L.  
7 2016 (37A O.S. Supp. 2017, Section 1-102), is amended to read as  
8 follows:

9 Section 1-102. A. The purpose of the Oklahoma Alcoholic  
10 Beverage Control Act is to implement the provisions of Article  
11 XVIIIIA of the Oklahoma Constitution, as referred to the people for  
12 their approval or rejection by the Secretary of State pursuant to  
13 the provisions of Enrolled Senate Joint Resolution No. 68 of the 2nd  
14 Session of the 55th Oklahoma Legislature. The Legislature hereby  
15 declares that the Oklahoma Alcoholic Beverage Control Act is deemed  
16 to be a code, digest or revision of statutes pursuant to the  
17 provisions of Section 57 of Article V of the Oklahoma Constitution.

18 B. All alcoholic beverages as herein defined except alcohol  
19 produced for use as a motor fuel under a permit issued by the  
20 Oklahoma State Department of Agriculture, Food, and Forestry shall  
21 be subject to the provisions of the Oklahoma Alcoholic Beverage  
22 Control Act.

23 C. The Legislature finds and declares that:  
24

1       1. The state has a substantial interest in exercising its  
2 powers and the powers granted to the states by the Twenty-first  
3 Amendment to the Constitution of the United States and in regulating  
4 the structure of the state's alcoholic beverage industry including  
5 the activities of manufacturers, importers, wholesalers and  
6 retailers, the methods by which alcoholic beverages are marketed,  
7 and influences that affect the consumption levels of alcoholic  
8 beverages by the people of the state;

9       2. The state's system of regulating the manufacture,  
10 distribution and sale of alcoholic beverages has served this state  
11 and its citizens well and has contributed to the economic growth and  
12 stability of the state;

13       3. Changes in market dynamics and advances in technology may  
14 have altered the way the alcoholic beverage industry operates, but  
15 have not changed the state's desire for strict regulation of the  
16 manufacture, importation, distribution, marketing and sale of  
17 alcoholic beverages in accordance with the Oklahoma State  
18 Constitution and laws and regulations enacted by the Legislature and  
19 the Oklahoma Alcoholic Beverage Laws Enforcement Commission. Such  
20 regulation advances the interest of the state in ensuring a  
21 competitive and orderly market in the distribution and sale of  
22 alcoholic beverages, promoting temperance in the use and consumption  
23 of alcoholic beverages, and facilitating the collection of excise  
24 taxes and fees. The purpose of the state's regulatory system is to

1 promote these interests by requiring economic separation between the  
2 tiers that contributes to a fair, open and competitive market  
3 resulting in interbrand and other competition within each tier, and  
4 prevents disorderly market conditions, including but not limited to  
5 the domination of local markets and the undue influence of one tier  
6 over another. This purpose is effective through any direct or  
7 indirect ownership interest, or any other financial or business  
8 obligation;

9 4. The state maintains an interest in the promotion of  
10 temperance as a paramount public health, safety and welfare concern.  
11 The Legislature further reaffirms that temperance is achieved,  
12 consistent with structural regulation that promotes a competitive  
13 and orderly market, by controlled access to, and responsible use and  
14 consumption of, alcoholic beverages by persons of legal drinking  
15 age; and

16 5. All provisions of this act shall be literally construed for  
17 the accomplishment of these purposes, and any exceptions are to be  
18 narrowly interpreted and applied.

19 SECTION 4. AMENDATORY Section 3, Chapter 366, O.S.L.  
20 2016, as amended by Section 5, Chapter 381, O.S.L. 2017 (37A O.S.  
21 Supp. 2017, Section 1-103), is amended to read as follows:

22 Section 1-103. As used in the Oklahoma Alcoholic Beverage  
23 Control Act:

1        1. "ABLE Commission" or "Commission" means the Alcoholic  
2 Beverage Laws Enforcement Commission;

3        2. "Alcohol" means and includes hydrated oxide of ethyl, ethyl  
4 alcohol, ethanol or spirits of wine, from whatever source or by  
5 whatever process produced. It does not include wood alcohol or  
6 alcohol which has been denatured or produced as denatured in  
7 accordance with Acts of Congress and regulations promulgated  
8 thereunder;

9        3. "Alcoholic beverage" means alcohol, spirits, beer and wine  
10 as those terms are defined herein and also includes every liquid or  
11 solid, patented or not, containing alcohol, spirits, wine or beer  
12 and capable of being consumed as a beverage by human beings;

13       4. "Applicant" means any individual, legal or commercial  
14 business entity, or any individual involved in any legal or  
15 commercial business entity allowed to hold any license issued in  
16 accordance with the Oklahoma Alcoholic Beverage Control Act;

17       5. "Beer" means any beverage of alcohol by volume and obtained  
18 by the alcoholic fermentation of an infusion or decoction of barley,  
19 or other grain, malt or similar products. "Beer" may or may not  
20 contain hops or other vegetable products. "Beer" includes, among  
21 other things, beer, ale, stout, lager beer, porter and other malt or  
22 brewed liquors, but does not include sake, known as Japanese rice  
23 wine;

1       6. "Beer keg" means any manufacturer-sealed, single container  
2 that contains not less than four (4) gallons of beer;

3       7. "Beer distributor" means and includes any person licensed to  
4 distribute beer for retail sale in the state, but does not include a  
5 holder of a small brewer self-distribution license or brewpub self-  
6 distribution license. The term "distributor", as used in this act,  
7 shall be construed to refer to a beer distributor;

8       8. "Bottle club" means any establishment in a county which has  
9 not authorized the retail sale of alcoholic beverages by the  
10 individual drink, which is required to be licensed to keep, mix and  
11 serve alcoholic beverages belonging to club members on club  
12 premises;

13       9. "Brand" means any word, name, group of letters, symbol or  
14 combination thereof, that is adopted and used by a licensed  
15 manufacturer to identify a specific beer and to distinguish that  
16 product from another beer;

17       10. "Brand extension" means:

18           a. after the effective date of this act, any brand of  
19 beer introduced by a manufacturer in this state which  
20 either:

21               (1) incorporates all or a substantial part of the  
22 unique features of a preexisting brand of the  
23 same licensed manufacturer, or  
24

- 1 (2) relies to a significant extent on the goodwill  
2 associated with the preexisting brand, or
- 3 b. any brand of beer that a manufacturer, the majority of  
4 whose total volume of all brands of beer distributed  
5 in this state by such manufacturer on January 1, 2016,  
6 was distributed as low-point beer, desires to sell,  
7 introduces, begins selling or theretofore has sold and  
8 desires to continue selling a strong beer in this  
9 state which either:
- 10 (1) incorporates or incorporated all or a substantial  
11 part of the unique features of a preexisting low-  
12 point beer brand of the same licensed  
13 manufacturer, or
- 14 (2) relies or relied to a significant extent on the  
15 goodwill associated with a preexisting low-point  
16 beer brand;

17 11. "Brewer" means and includes any person who manufactures for  
18 human consumption by the use of raw materials or other ingredients  
19 any beer upon which a license fee and a tax are imposed by any law  
20 of this state;

21 12. "Brewpub" means a licensed establishment operated on the  
22 premises of, or on premises located contiguous to, a small brewer,  
23 that prepares and serves food and beverages, including alcoholic  
24 beverages, for on-premises consumption;

1       13. "Cider" means any alcoholic beverage obtained by the  
2 alcoholic fermentation of fruit juice, including but not limited to  
3 flavored, sparkling or carbonated cider. For the purposes of the  
4 distribution of this product, cider may be distributed by either  
5 wine and spirits wholesalers or beer distributors;

6       14. "Convenience store" means any person primarily engaged in  
7 retailing a limited range of general household items and groceries,  
8 with extended hours of operation, whether or not engaged in retail  
9 sales of automotive fuels in combination with such sales;

10       15. "Convicted" and "conviction" mean and include a finding of  
11 guilt resulting from a plea of guilty or nolo contendere, the  
12 decision of a court or magistrate or the verdict of a jury,  
13 irrespective of the pronouncement of judgment or the suspension  
14 thereof;

15       16. "Designating manufacturer" means a winemaker or distiller  
16 that has exclusively designated a single wine and spirits wholesaler  
17 to distribute one or more of its products to retailers within the  
18 state;

19       17. "Director" means the Director of the ABLE Commission;

20       ~~17.~~ 18. "Distiller" means any person who produces spirits from  
21 any source or substance, or any person who brews or makes mash, wort  
22 or wash, fit for distillation or for the production of spirits  
23 (except a person making or using such material in the authorized  
24 production of wine or beer, or the production of vinegar by

1 fermentation), or any person who by any process separates alcoholic  
2 spirits from any fermented substance, or any person who, making or  
3 keeping mash, wort or wash, has also in his or her possession or use  
4 a still;

5 ~~18.~~ 19. "Distributor agreement" means the written agreement  
6 between the distributor and manufacturer as set forth in Section 3-  
7 108 of this title;

8 ~~19.~~ 20. "Drug store" means a person primarily engaged in  
9 retailing prescription and nonprescription drugs and medicines;

10 ~~20.~~ 21. "Dual-strength beer" means a brand of beer that,  
11 immediately prior to the effective date of this act, was being sold  
12 and distributed in this state:

13 a. as a low-point beer pursuant to the Low-Point Beer  
14 Distribution Act in effect immediately prior to the  
15 effective date of this act, and

16 b. as strong beer pursuant to the Alcoholic Beverage  
17 Control Act in effect immediately prior to the  
18 effective date of this act.

19 Dual-strength beer does not include a brand of beer that arose  
20 as a result of a brand extension as defined in this section;

21 ~~21.~~ 22. "Fair market value" means the value in the subject  
22 territory covered by the written agreement with the distributor or  
23 wholesaler that would be determined in an arm's length transaction  
24 entered into without duress or threat of termination of the

1 distributor's or wholesaler's rights and shall include all elements  
2 of value, including goodwill and going-concern value;

3 ~~22.~~ 23. "Good cause" means:

4 a. failure by the distributor to comply with the material  
5 and reasonable provisions of a written agreement or  
6 understanding with the manufacturer, or

7 b. failure by the distributor to comply with the duty of  
8 good faith;

9 ~~23.~~ 24. "Good faith" means the duty of each party to any  
10 distributor agreement and all officers, employees or agents thereof  
11 to act with honesty in fact and within reasonable standards of fair  
12 dealing in the trade;

13 ~~24.~~ 25. "Grocery store" means a person primarily engaged in  
14 retailing a general line of food, such as canned or frozen foods,  
15 fresh fruits and vegetables, and fresh and prepared meats, fish and  
16 poultry;

17 ~~25.~~ 26. "Hotel" or "motel" means an establishment which is  
18 licensed to sell alcoholic beverages by the individual drink and  
19 which contains guestroom accommodations with respect to which the  
20 predominant relationship existing between the occupants thereof and  
21 the owner or operator of the establishment is that of innkeeper and  
22 guest. For purposes of this section, the existence of other legal  
23 relationships as between some occupants and the owner or operator  
24 thereof shall be immaterial;

1       ~~26.~~ 27. "Legal newspaper" means a newspaper meeting the  
2       requisites of a newspaper for publication of legal notices as  
3       prescribed in Sections 101 through 114 of Title 25 of the Oklahoma  
4       Statutes;

5       ~~27.~~ 28. "Licensee" means any person holding a license under the  
6       Oklahoma Alcoholic Beverage Control Act, and any agent, servant or  
7       employee of such licensee while in the performance of any act or  
8       duty in connection with the licensed business or on the licensed  
9       premises;

10       ~~28.~~ 29. "Low-point beer" shall mean any beverages containing  
11       more than one-half of one percent (1/2 of 1%) alcohol by volume, and  
12       not more than three and two-tenths percent (3.2%) alcohol by weight,  
13       including but not limited to, beer or cereal malt beverages obtained  
14       by the alcoholic fermentation of an infusion by barley or other  
15       grain, malt or similar products;

16       ~~29.~~ 30. "Manufacturer" means a brewer, distiller, winemaker,  
17       rectifier or bottler of any alcoholic beverage and its subsidiaries,  
18       affiliates and parent companies;

19       ~~30.~~ 31. "Manufacturer's agent" means a salaried or commissioned  
20       salesperson who is the agent authorized to act on behalf of the  
21       manufacturer or nonresident seller in the state;

22       ~~31.~~ 32. "Meals" means foods commonly ordered at lunch or dinner  
23       and at least part of which is cooked on the licensed premises and  
24       requires the use of dining implements for consumption. Provided,

1 that the service of only food such as appetizers, sandwiches, salads  
2 or desserts shall not be considered "meals";

3 ~~32.~~ 33. "Mini-bar" means a closed container, either  
4 refrigerated in whole or in part, or nonrefrigerated, and access to  
5 the interior of which is:

- 6 a. restricted by means of a locking device which requires
- 7 the use of a key, magnetic card or similar device, or
- 8 b. controlled at all times by the licensee;

9 ~~33.~~ 34. "Mixed beverage cooler" means any beverage, by whatever  
10 name designated, consisting of an alcoholic beverage and fruit or  
11 vegetable juice, fruit or vegetable flavorings, dairy products or  
12 carbonated water containing more than one-half of one percent (1/2  
13 of 1%) of alcohol measured by volume but not more than seven percent  
14 (7%) alcohol by volume at sixty (60) degrees Fahrenheit and which is  
15 packaged in a container not larger than three hundred seventy-five  
16 (375) milliliters. Such term shall include but not be limited to  
17 the beverage popularly known as a "wine cooler";

18 ~~34.~~ 35. "Mixed beverages" means one or more servings of a  
19 beverage composed in whole or part of an alcoholic beverage in a  
20 sealed or unsealed container of any legal size for consumption on  
21 the premises where served or sold by the holder of a mixed beverage,  
22 beer and wine, caterer, public event, charitable event or special  
23 event license;

1       ~~35.~~ 36. "Mixer" means a nonalcoholic beverage sold in a sealed  
2       container and intended for the primary purpose of mixing with an  
3       alcoholic beverage for off-premises consumption. For purposes of  
4       Section 3 of Article XXVIII A of the Oklahoma Constitution, a mixer  
5       shall not be construed as a nonalcoholic item when calculating the  
6       twenty-percent cap on the nonalcoholic items that may be sold by the  
7       holder of a Retail Spirits License;

8       37. "Motion picture theater" means an establishment which is  
9       licensed by Section 2-110 of this title to sell alcoholic beverages  
10      by the individual drink and where motion pictures are exhibited, and  
11      to which the general public is admitted;

12      ~~36.~~ 38. "Nonresident seller" means ~~any person licensed a~~  
13      distiller or winery that has not designated a wine and spirits  
14      wholesaler pursuant to Section 2-135 of this title;

15      ~~37.~~ 39. "Retail salesperson" means a salesperson soliciting  
16      orders from and calling upon retail alcoholic beverage stores with  
17      regard to his or her product;

18      ~~38.~~ 40. "Occupation" as used in connection with "occupation  
19      tax" means the sites occupied as the places of business of the  
20      manufacturers, wholesalers, beer distributors, retailers, mixed  
21      beverage licensees, on-premises beer and wine licensees, bottle  
22      clubs, caterers, public event and special event licensees;

23      ~~39.~~ 41. "Original package" means any container of alcoholic  
24      beverage filled and stamped or sealed by the manufacturer;

1       ~~40.~~ 42. "Package store" means any sole proprietor or  
2 partnership that qualifies to sell wine, beer and/or spirits for  
3 off-premise consumption and that is not a grocery store, convenience  
4 store or drug store, or other retail outlet that is not permitted to  
5 sell wine or beer for off-premise consumption;

6       ~~41.~~ 43. "Patron" means any person, customer or visitor who is  
7 not employed by a licensee or who is not a licensee;

8       ~~42.~~ 44. "Person" means an individual, any type of partnership,  
9 corporation, association, limited liability company or any  
10 individual involved in the legal structure of any such business  
11 entity;

12       ~~43.~~ 45. "Premises" means the grounds and all buildings and  
13 appurtenances pertaining to the grounds including any adjacent  
14 premises if under the direct or indirect control of the licensee and  
15 the rooms and equipment under the control of the licensee and used  
16 in connection with or in furtherance of the business covered by a  
17 license. Provided that the ABLE Commission shall have the authority  
18 to designate areas to be excluded from the licensed premises solely  
19 for the purpose of:

- 20           a.     allowing the presence and consumption of alcoholic  
21                   beverages by private parties which are closed to the  
22                   general public, or
- 23           b.     allowing the services of a caterer serving alcoholic  
24                   beverages provided by a private party.

1 This exception shall in no way limit the licensee's concurrent  
2 responsibility for any violations of the Oklahoma Alcoholic Beverage  
3 Control Act occurring on the licensed premises;

4 ~~44.~~ 46. "Private event" means a social gathering or event  
5 attended by invited guests who share a common cause, membership,  
6 business or task and have a prior established relationship. For  
7 purposes of this definition, advertisement for general public  
8 attendance or sales of tickets to the general public shall not  
9 constitute a private event;

10 ~~45.~~ 47. "Public event" means any event that can be attended by  
11 the general public;

12 ~~46.~~ 48. "Rectifier" means any person who rectifies, purifies or  
13 refines spirits or wines by any process (other than by original and  
14 continuous distillation, or original and continuous processing, from  
15 mash, wort, wash or other substance, through continuous closed  
16 vessels and pipes, until the production thereof is complete), and  
17 any person who, without rectifying, purifying or refining spirits,  
18 shall by mixing (except for immediate consumption on the premises  
19 where mixed) such spirits, wine or other liquor with any material,  
20 manufactures any spurious, imitation or compound liquors for sale,  
21 under the name of whiskey, brandy, rum, gin, wine, spirits, cordials  
22 or any other name;

23 ~~47.~~ 49. "Regulation" or "rule" means a formal rule of general  
24 application promulgated by the ABLE Commission as herein required;

1       ~~48.~~ 50. "Restaurant" means an establishment that is licensed to  
2 sell alcoholic beverages by the individual drink for on-premises  
3 consumption and where food is prepared and sold for immediate  
4 consumption on the premises;

5       ~~49.~~ 51. "Retail container for spirits and wines" means an  
6 original package of any capacity approved by the United States  
7 Bureau of Alcohol, Tobacco and Firearms;

8       ~~50.~~ 52. "Retailer" means a package store, grocery store,  
9 convenience store or drug store licensed to sell alcoholic beverages  
10 for off-premise consumption pursuant to a Retail Spirits License,  
11 Retail Wine License or Retail Beer License;

12       ~~51.~~ 53. "Sale" means any transfer, exchange or barter in any  
13 manner or by any means whatsoever, and includes and means all sales  
14 made by any person, whether as principal, proprietor or as an agent,  
15 servant or employee. The term "sale" is also declared to be and  
16 include the use or consumption in this state of any alcoholic  
17 beverage obtained within or imported from without this state, upon  
18 which the excise tax levied by the Oklahoma Alcoholic Beverage  
19 Control Act has not been paid or exempted;

20       ~~52.~~ 54. "Short-order food" means food other than full meals  
21 including but not limited to sandwiches, soups and salads. Provided  
22 that popcorn, chips and other similar snack food shall not be  
23 considered "short-order food";  
24

1       ~~53.~~ 55. "Small brewer" means a brewer who manufactures less  
2 than twenty-five thousand (25,000) barrels of beer annually pursuant  
3 to a validly issued Small Brewer License hereunder;

4       ~~54.~~ 56. "Small farm wine" means a wine that is produced by a  
5 small farm winery with seventy-five percent (75%) or more Oklahoma-  
6 grown grapes, berries, other fruits, honey or vegetables;

7       ~~55.~~ 57. "Small farm winery" means a wine-making establishment  
8 that does not annually produce for sale more than fifteen thousand  
9 (15,000) gallons of wine as reported on the United States Department  
10 of the Treasury, Alcohol and Tobacco Tax and Trade Bureau, Report of  
11 Wine Premises Operations (TTB Form 5120.17);

12       ~~56.~~ 58. "Sparkling wine" means champagne or any artificially  
13 carbonated wine;

14       ~~57.~~ 59. "Special event" means an entertainment, recreation or  
15 marketing event that occurs at a single location on an irregular  
16 basis and at which alcoholic beverages are sold;

17       ~~58.~~ 60. "Spirits" means any beverage other than wine or beer,  
18 which contains more than one-half of one percent (1/2 of 1%) alcohol  
19 measured by volume, and obtained by distillation, whether or not  
20 mixed with other substances in solution and includes those products  
21 known as whiskey, brandy, rum, gin, vodka, liqueurs, cordials and  
22 fortified wines and similar compounds, but shall not include any  
23 alcohol liquid completely denatured in accordance with the Acts of  
24 Congress and regulations pursuant thereto;

1       ~~59.~~ 61. "Strong beer" means beer which, prior to the effective  
2 date of this act, was distributed pursuant to the Oklahoma Alcoholic  
3 Beverage Control Act, Section 501 et seq. of Title 37 of the  
4 Oklahoma Statutes;

5       ~~60.~~ 62. "Successor manufacturer" means a primary source of  
6 supply, a brewer or an importer that acquires rights to a beer brand  
7 from a predecessor manufacturer;

8       ~~61.~~ 63. "Tax Commission" means the Oklahoma Tax Commission;

9       ~~62.~~ 64. "Territory" means a geographic region with a specified  
10 boundary;

11       ~~63.~~ 65. "Wine and spirits wholesaler" or "wine and spirits  
12 distributor" means and includes any sole proprietorship or  
13 partnership licensed to distribute wine and spirits in the state.  
14 The term "wholesaler", as used in this act, shall be construed to  
15 refer to a wine and spirits wholesaler; and

16       ~~64.~~ 66. "Wine" means and includes any beverage containing more  
17 than one-half of one percent (1/2 of 1%) alcohol by volume and not  
18 more than twenty-four percent (24%) alcohol by volume at sixty (60)  
19 degrees Fahrenheit obtained by the fermentation of the natural  
20 contents of fruits, vegetables, honey, milk or other products  
21 containing sugar, whether or not other ingredients are added, and  
22 includes vermouth and sake, known as Japanese rice wine.

1 Words in the plural include the singular, and vice versa, and  
2 words imparting the masculine gender include the feminine, as well  
3 as persons and licensees as defined in this section.

4 SECTION 5. AMENDATORY Section 4, Chapter 366, O.S.L.  
5 2016, as amended by Section 9, Chapter 364, O.S.L. 2017 (37A O.S.  
6 Supp. 2017, Section 1-104), is amended to read as follows:

7 Section 1-104. A. The Alcoholic Beverage Laws Enforcement  
8 Commission created in Section 1 of Article XXVIII of the Oklahoma  
9 Constitution is hereby re-created. The purpose of the Commission  
10 shall be to enforce the alcoholic beverage laws of the state, and  
11 the Commission shall have such power and authority to enforce such  
12 laws, rules and regulations as shall be prescribed by the Oklahoma  
13 Alcoholic Beverage Control Act.

14 B. The Commission shall consist of seven (7) members, to be  
15 appointed by the Governor with the advice and consent of the State  
16 Senate; provided, members serving on October 1, 2017, shall continue  
17 to serve until such time as their terms would have expired pursuant  
18 to the provisions of Section 1 of Article XXVIII of the Oklahoma  
19 Constitution. Five of the members shall be at-large members  
20 representing the lay citizenry. The remaining two members shall be  
21 persons with law enforcement experience in this state. Any time  
22 there is a vacancy on the Commission, the Governor shall appoint a  
23 replacement, with the advice and consent of the State Senate, within  
24 ninety (90) days.

1 C. Members of the Commission shall be appointed for a term of  
2 five (5) years.

3 D. No more than four members of the Commission shall be  
4 appointed from the same political party. No more than two members  
5 of the Commission shall be appointed from the same federal  
6 congressional district.

7 E. No member of the Commission shall hold any license  
8 authorized by the Oklahoma Alcoholic Beverage Control Act, or have  
9 any interest in any capacity, in the manufacture, sale, distribution  
10 or transportation of alcoholic beverages.

11 F. The members of the Commission shall be removable from office  
12 for cause as other officers not subject to impeachment.

13 G. The Commission shall appoint a Director, whose duties shall  
14 be defined as provided in Section 1-108 of this title.

15 H. The State of Oklahoma shall take all necessary steps to  
16 ensure the timely implementation of Enrolled Senate Joint Resolution  
17 No. 68 of the 2nd Session of the 55th Oklahoma Legislature, if  
18 approved by the voters. Consistent with this objective, the ABLE  
19 Commission shall have the power to issue interim licenses prior to  
20 October 1, 2018, as follows:

21 1. Except for the sale of wine or beer to the public, an  
22 interim license shall allow all qualified retail wine and retail  
23 beer licensees to perform all activities permissible under a full  
24 license including but not limited to purchasing, stocking and

1 storing the wine and/or full-strength beer prior to October 1, 2018.  
2 In order to qualify for an interim license, the licensee must  
3 satisfy all the requirements set forth in Article XXVIII A of the  
4 Oklahoma Constitution and this act. ~~The~~ This interim license shall  
5 convert to a full license on October 1, 2018;

6 2. Package stores may install refrigerated coolers for the  
7 storage of beer and wine prior to October 1, 2018, provided the  
8 refrigerated coolers shall not be used to cool product below room  
9 temperature prior to October 1, 2018; and

10 3. An interim license shall allow all qualified wine and  
11 spirits wholesalers and beer distributors to perform all activities  
12 permissible under a full license including but not limited to  
13 selling and delivering wine and/or full-strength beer to all  
14 qualified retail wine and retail beer licensees. A wine and spirits  
15 wholesaler that has been designated by a manufacturer as the  
16 exclusive distributor of its wine or spirits may post those  
17 designated products by line-item, consistent with Section 3-116.2 of  
18 this title, on September 15, 2018, for sale effective October 1,  
19 2018. In order to qualify for an interim license, the wine and  
20 spirits wholesaler and beer distributor must comply with the  
21 provisions set forth in Article XXVIII A of the Oklahoma Constitution  
22 and this act. The interim license shall convert to a full license  
23 on October 1, 2018.

1        Provided, however, that a manufacturer is only permitted to sell  
2 beer or cider to a beer distributor holding a valid interim license  
3 pursuant to this section as follows:

- 4            a.    such sales may begin no sooner than September 1, 2018,
- 5            b.    the beer distributor either must be assigned a beer  
6                distributor territory by the manufacturer pursuant to  
7                a distributor agreement to begin October 1, 2018, or  
8                be a brewer or an affiliate of a brewer that will be  
9                permitted to distribute beer within two territories  
10               pursuant to the provisions of subsection E of Section  
11               3-108 of ~~the~~ this title, and
- 12           c.    the interim license only permits sales to retailers by  
13                the interim licensee either in the distribution  
14                territory as set forth in the distributor agreement or  
15                in the two territories permitted pursuant to the  
16                provisions of subsection E of Section 3-108 of this  
17                title.

18        I.    No retail wine or retail beer licensee may sell wine and/or  
19 beer, other than low-point beer, and no package store may sell  
20 refrigerated wine and/or beer, prior to October 1, 2018. The sale  
21 or refrigeration of wine and/or beer in violation of this subsection  
22 shall result in the revocation of the interim license and a monetary  
23 fine of Twenty-five Thousand Dollars (\$25,000.00).

1       SECTION 6.       AMENDATORY       Section 8, Chapter 366, O.S.L.

2       2016 (37A O.S. Supp. 2017, Section 1-108), is amended to read as  
3       follows:

4       Section 1-108.   A.   The ABLE Commission shall appoint a  
5       Director, who shall employ an Assistant Director and such other  
6       personnel as are necessary to properly enforce and administer the  
7       Oklahoma Alcoholic Beverage Control Act.   The Director shall require  
8       bonds in such instances and amounts as the ABLE Commission may  
9       direct, and shall be in direct charge of all records.   The Director  
10      shall further have the following specific powers and duties:

11      1.   To issue licenses provided for in the Oklahoma Alcoholic  
12      Beverage Control Act, and to approve or reject any official bond  
13      required to be filed with the Director or the ABLE Commission;

14      2.   To appoint and employ, supervise and discharge such  
15      employees as may be determined necessary for the proper discharge of  
16      the duties of the office of Director, upon duties and salary fixed  
17      and determined by the ABLE Commission and subject to all the rules  
18      that may be promulgated by the ABLE Commission.   The Director and  
19      the ABLE Commission, in appointing and employing personnel, shall  
20      give preference to honorably discharged members of the Armed Forces  
21      of the United States;

22      3.   To conduct such investigations and make such reports as may  
23      be necessary to keep the ABLE Commission advised concerning any  
24

1 violations of the provisions of the Oklahoma Alcoholic Beverage  
2 Control Act and make orders for its enforcement;

3 4. To make recommendations to the ABLE Commission concerning  
4 the suspension or revocation of any licenses, the levying of fines  
5 against licensees for violations of the provisions of the Oklahoma  
6 Alcoholic Beverage Control Act or rules of the ABLE Commission or  
7 any action that should be filed or commenced against any official  
8 bond theretofore approved by the Director or the ABLE Commission;

9 5. To regularly inspect all places of business of licensees,  
10 and all other persons, firms or corporations dealing in the  
11 manufacture, distribution, transportation, sale or service of  
12 alcoholic beverages under the provisions of the Oklahoma Alcoholic  
13 Beverage Control Act and report to the ABLE Commission concerning  
14 any and all violations with a recommendation to the ABLE Commission  
15 for its determination;

16 ~~6. To refer any evidence of a violation of any provision of the~~  
17 ~~Oklahoma Alcoholic Beverage Control Act which carries a criminal~~  
18 ~~penalty to the appropriate law enforcement authority for action;~~

19 ~~7.~~ To aid the enforcement authorities of this state or any  
20 county or municipality of the state, or the federal government, in  
21 prosecutions of violations of the Oklahoma Alcoholic Beverage  
22 Control Act; and

23 ~~8.~~ 7. To enforce the provisions of the Prevention of Youth  
24 Access to Tobacco Act including but not limited to the levying of

1 administrative fines against persons violating the provisions of the  
2 Prevention of Youth Access to Tobacco Act, and to at least annually  
3 conduct random unannounced inspections at locations where tobacco  
4 products are sold or distributed and conduct targeted inspections at  
5 those locations which have been in violation of the provisions of  
6 the Prevention of Youth Access to Tobacco Act.

7 B. The Director may employ or contract with attorneys, as  
8 needed, to advise the Director and the ABLE Commission on all legal  
9 matters and shall appear for and represent the Director and the ABLE  
10 Commission in all administrative hearings and all litigation or  
11 other proceedings which may arise in the discharge of their duties.  
12 At the request of the ABLE Commission, such attorneys shall assist  
13 district attorneys in prosecuting charges of violators of the  
14 Oklahoma Alcoholic Beverage Control Act.

15 SECTION 7. AMENDATORY Section 13, Chapter 366, O.S.L.  
16 2016, as amended by Section 10, Chapter 364, O.S.L. 2017 (37A O.S.  
17 Supp. 2017, Section 2-101), is amended to read as follows:

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

- |    |                                           |            |
|----|-------------------------------------------|------------|
| 21 | 1. Brewer License.....                    | \$1,250.00 |
| 22 | 2. Small Brewer License.....              | \$125.00   |
| 23 | 3. <u>Oklahoma</u> Distiller License..... | \$3,125.00 |
| 24 | 4. <u>Oklahoma</u> Winemaker License..... | \$625.00   |

|    |     |                                                    |                   |
|----|-----|----------------------------------------------------|-------------------|
| 1  | 5.  | <u>Oklahoma</u> Small Farm Winery License.....     | \$75.00           |
| 2  | 6.  | Rectifier License.....                             | \$3,125.00        |
| 3  | 7.  | Wine and Spirits Wholesaler License.....           | \$3,000.00        |
| 4  | 8.  | Beer Distributor License.....                      | \$750.00          |
| 5  | 9.  | The following retail spirits license fees shall be |                   |
| 6  |     | determined by the latest Federal Decennial Census: |                   |
| 7  | a.  | Retail Spirits License for cities and              |                   |
| 8  |     | towns from 200 to 2,500 population.....            | \$305.00          |
| 9  | b.  | Retail Spirits License for cities and              |                   |
| 10 |     | towns from 2,501 to 5,000 population.....          | \$605.00          |
| 11 | c.  | Retail Spirits License for cities and              |                   |
| 12 |     | towns over 5,000 population.....                   | \$905.00          |
| 13 | 10. | Retail Wine License.....                           | \$1,000.00        |
| 14 | 11. | Retail Beer License.....                           | \$500.00          |
| 15 | 12. | Mixed Beverage License.....                        | \$1,005.00        |
| 16 |     |                                                    | (initial license) |
| 17 |     |                                                    | \$905.00          |
| 18 |     |                                                    | (renewal)         |
| 19 | 13. | Mixed Beverage/Caterer Combination License.....    | \$1,250.00        |
| 20 | 14. | On-Premises Beer and Wine License.....             | \$500.00          |
| 21 |     |                                                    | (initial license) |
| 22 |     |                                                    | \$450.00          |
| 23 |     |                                                    | (renewal)         |
| 24 | 15. | Bottle Club License.....                           | \$1,000.00        |

|    |     |                                        |            |
|----|-----|----------------------------------------|------------|
| 1  |     | (initial license)                      |            |
| 2  |     | \$900.00                               |            |
| 3  |     | (renewal)                              |            |
| 4  | 16. | Caterer License.....                   | \$1,005.00 |
| 5  |     | (initial license)                      |            |
| 6  |     | \$905.00                               |            |
| 7  |     | (renewal)                              |            |
| 8  | 17. | Annual Special Event License.....      | \$55.00    |
| 9  | 18. | Quarterly Special Event License.....   | \$55.00    |
| 10 | 19. | Hotel Beverage License.....            | \$1,005.00 |
| 11 |     | (initial license)                      |            |
| 12 |     | \$905.00                               |            |
| 13 |     | (renewal)                              |            |
| 14 | 20. | Airline/Railroad Beverage License..... | \$1,005.00 |
| 15 |     | (initial license)                      |            |
| 16 |     | \$905.00                               |            |
| 17 |     | (renewal)                              |            |
| 18 | 21. | Agent License.....                     | \$55.00    |
| 19 | 22. | Employee License.....                  | \$30.00    |
| 20 | 23. | Industrial License.....                | \$23.00    |
| 21 | 24. | Carrier License.....                   | \$23.00    |
| 22 | 25. | Private Carrier License.....           | \$23.00    |
| 23 | 26. | Bonded Warehouse License.....          | \$190.00   |
| 24 | 27. | Storage License.....                   | \$23.00    |

|     |                                                                                      |                 |
|-----|--------------------------------------------------------------------------------------|-----------------|
| 28. | Nonresident <sup>7</sup> Seller License <del>or Manufacturer's</del><br>License..... | \$750.00        |
| 29. | Manufacturer's Agent License.....                                                    | \$55.00         |
| 30. | Sacramental Wine Supplier License.....                                               | \$100.00        |
| 31. | Charitable Auction License.....                                                      | \$1.00          |
| 32. | Charitable Alcoholic Beverage License.....                                           | \$55.00         |
| 33. | Winemaker Self-Distribution License.....                                             | \$750.00        |
| 34. | Annual Public Event License.....                                                     | \$1,005.00      |
| 35. | One-Time Public Event License.....                                                   | \$255.00        |
| 36. | Small Brewer Self-Distribution License.....                                          | \$750.00        |
| 37. | Brewpub License.....                                                                 | \$1,005.00      |
| 38. | Brewpub Self-Distribution License.....                                               | \$750.00        |
| 39. | <u>Designating Manufacturer License:</u>                                             |                 |
| a.  | <u>50 cases or less sold in Oklahoma last</u><br><u>calendar year.....</u>           | <u>\$50.00</u>  |
| b.  | <u>51 to 500 cases sold in Oklahoma in</u><br><u>last calendar year.....</u>         | <u>\$75.00</u>  |
| c.  | <u>501 cases or more sold in Oklahoma in</u><br><u>last calendar year.....</u>       | <u>\$100.00</u> |

B. 1. 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 subsection

1 A of this section; provided, this fee shall not be assessed against  
2 service organizations or fraternal beneficiary societies which are  
3 exempt under Section 501(c)(19), (8) or (10) of the Internal Revenue  
4 Code.

5 2. There shall be added to the fee for a Mixed Beverage/Caterer  
6 Combination License an administrative fee, which shall not be deemed  
7 to be a license fee, in the amount of Two Hundred Fifty Dollars  
8 (\$250.00), which shall be paid at the same time and in the same  
9 manner as the license fee prescribed by paragraph 11 of subsection A  
10 of this section.

11 C. Notwithstanding the provisions of subsection A of this  
12 section:

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

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

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

23 E. All licenses, except as otherwise provided, shall be valid  
24 for one (1) year from date of issuance unless revoked or

1 surrendered. Provided, all employee licenses shall be valid for two  
2 (2) years.

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

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

- 17 1. Nonresident Seller ~~or Manufacturer~~ License..... \$2,500.00  
18 2. Wine and Spirits Wholesaler License..... \$2,500.00  
19 3. Beer Distributor..... \$1,000.00  
20 4. Retail Spirits License for cities and towns  
21 over 5,000 population..... \$250.00  
22 5. Retail Spirits License for cities and towns  
23 from 2,501 to 5,000 population..... \$200.00  
24

6. Retail Spirits License for cities and towns  
from 200 to 2,500 population..... \$150.00
7. Retail Wine License..... \$250.00
8. Retail Beer License..... \$250.00
9. Mixed Beverage License..... \$25.00
10. Mixed Beverage/Caterer Combination License..... \$25.00
11. Caterer License..... \$25.00
12. On-Premises Beer and Wine License..... \$25.00
13. Annual Public Event License..... \$25.00
14. Small Farm Winery License..... \$25.00
15. Small Brewer License..... \$35.00
16. Designating Manufacturer License:
- a. 50 cases or less sold in Oklahoma last  
    calendar year..... \$50.00
- b. 51 to 500 cases sold in Oklahoma in  
    last calendar year..... \$75.00
- c. 501 cases or more sold in Oklahoma in  
    last calendar year..... \$100.00

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

1 H. Any license issued by the ABLE Commission under this title  
2 may be relied upon by other licensees as a valid license, and no  
3 other licensee shall have any obligation to independently determine  
4 the validity of such license or be held liable solely as a  
5 consequence of another licensee's failure to maintain a valid  
6 license.

7 SECTION 8. AMENDATORY Section 19, Chapter 366, O.S.L.  
8 2016, as amended by Section 11, Chapter 364, O.S.L. 2017 (37A O.S.  
9 Supp. 2017, Section 2-107), is amended to read as follows:

10 Section 2-107. A. A wine and spirits wholesaler license shall  
11 authorize the holder thereof:

12 1. To purchase and import into this state spirits and wines  
13 from persons authorized to sell same who are the holders of a  
14 designating manufacturer or nonresident seller license, and their  
15 agents who are the holders of manufacturer's agent licenses;

16 2. To purchase spirits and wines from licensed distillers,  
17 rectifiers and winemakers in this state;

18 3. To purchase spirits and wines from licensed wholesalers, to  
19 the extent set forth in subsections B and C of this section;

20 4. To sell in retail containers in this state to retailers,  
21 mixed beverage, caterer, special event, public event, hotel beverage  
22 or airline/railroad beverage licensees, spirits and wines which have  
23 been received and unloaded at the bonded warehouse facilities of the  
24 wholesaler before such sale;

1        5. To sell to licensed wholesalers, to the extent set forth in  
2 subsections B and C of this section, spirits and wines which have  
3 been received and unloaded at the bonded warehouse facilities of the  
4 wholesaler before such sale; and

5        6. To sell spirits and wines out of this state to qualified  
6 persons.

7        Provided, however, sales of spirits and wine in containers with  
8 a capacity of less than one-twentieth (1/20) gallon by a holder of a  
9 wholesaler license shall be in full case lots and in the original  
10 unbroken case. Wholesalers shall be authorized to place such signs  
11 outside their place of business as are required by Acts of Congress  
12 and by such laws and regulations promulgated under such Acts.

13        B. A wholesaler may sell spirits and wine to other wholesalers  
14 or purchase spirits and wines from other wholesalers without  
15 complying with subsection A of this section in the case of the sale,  
16 purchase or other transfer or acquisition of a particular brand of  
17 spirits or wine or the entire business of a wholesaler, including  
18 the inventory of spirits and wine.

19        C. A wholesaler license shall authorize the holder thereof to:

20        1. Transport wine, spirits and beer in vehicles owned, leased  
21 or operated by the wholesaler, a subsidiary of the wholesaler, or  
22 its agent, in addition to any nonalcoholic items. Provided, if the  
23 wholesaler transports beer, a valid beer distributor license must be  
24

1 maintained by the wholesaler or affiliated entity having common  
2 ownership with the licensed wholesaler;

3 2. Maintain not more than three ~~(3)~~ self-owned or leased and  
4 self-operated bonded warehouses within this state. All invoices  
5 shall be stored at the principal place of business for which the  
6 wholesaler license was granted; and

7 ~~2.~~ 3. Accept as payment cash, personal check, cashier's check,  
8 money order or electronic fund transfer from persons licensed to  
9 purchase alcoholic beverages; provided, a wholesaler shall not be  
10 permitted to accept payment by credit card.

11 SECTION 9. AMENDATORY Section 32, Chapter 366, O.S.L.  
12 2016 (37A O.S. Supp. 2017, Section 2-120), is amended to read as  
13 follows:

14 Section 2-120. A wholesaler's agent license shall authorize the  
15 holder thereof:

16 1. To represent only the holders of wine and spirits wholesaler  
17 and beer distributor licenses ~~within this state, other than~~  
18 ~~retailers,~~ authorized to sell alcoholic beverages to ~~retail dealers~~  
19 off-premises and on-premises retailers in Oklahoma; and

20 2. To solicit and to take orders for the purchase of alcoholic  
21 beverages from off-premises and on-premises retailers ~~including~~  
22 ~~licensees~~ authorized to sell alcoholic beverages ~~by the individual~~  
23 ~~drink for on-premises consumption~~ in Oklahoma.

1       Such license shall be issued only to agents and employees of the  
2 holder of a license under the Oklahoma Alcoholic Beverage Control  
3 Act, but no such license shall be required of an employee making  
4 sales of alcoholic beverages on licensed premises of the employee's  
5 principal. No applicant for a wholesaler's agent license shall also  
6 hold a manufacturer's agent license.

7       SECTION 10.       AMENDATORY       Section 37, Chapter 366, O.S.L.  
8 2016 (37A O.S. Supp. 2017, Section 2-125), is amended to read as  
9 follows:

10       Section 2-125. A bonded warehouse license shall authorize the  
11 holder thereof to receive and store alcoholic beverages and  
12 nonalcoholic beverages for the holders of storage licenses on the  
13 licensed premises of the bonded warehouse licensee. No goods, wares  
14 or merchandise other than alcoholic beverages may be stored in the  
15 same bonded warehouse with alcoholic beverages. The holder of a  
16 bonded warehouse license shall furnish and file with the ABLE  
17 Commission a bond running to all bailers of alcoholic beverages  
18 under proper storage licenses and their assignees (including  
19 mortgagees or other bona fide lienholders) conditioned upon faithful  
20 performance of the terms and conditions of such bailments.

21       SECTION 11.       AMENDATORY       Section 47, Chapter 366, O.S.L.  
22 2016 (37A O.S. Supp. 2017, Section 2-135), is amended to read as  
23 follows:

1       Section 2-135. A. All out-of-state distillers, and winemakers,  
2 ~~brewers, importers, brokers and others who~~ seeking to sell alcoholic  
3 ~~beverages to wine and spirits wholesalers and beer distributors~~ in  
4 Oklahoma, regardless of whether such sales are consummated within or  
5 without the state, must either obtain a designating manufacturer's  
6 license, if it wishes to designate a single wholesaler to sell its  
7 products, or contract with a person that maintains a nonresident  
8 seller license, if it wishes to sell its products to all licensed  
9 wine and spirits wholesalers, in order to sell alcoholic beverages  
10 intended for consumption within the State of Oklahoma.

11       A designating manufacturer's license or nonresident seller  
12 license shall authorize the holder thereof to solicit and take  
13 orders for ~~alcoholic beverages~~ wine and spirits from the holders of  
14 Oklahoma wine and spirits wholesaler licenses authorized to import  
15 the same into this state, and to ship or deliver, or cause to be  
16 shipped or delivered, ~~alcoholic beverages~~ wine or spirits into  
17 Oklahoma pursuant to such sales.

18       B. A brewer not licensed in this state selling beer to a  
19 ~~nonresident seller~~ beer distributor shall have a written  
20 distribution sales agreement with the ~~nonresident seller~~ beer  
21 distributor. Such agreement shall be subject to inspection by the  
22 ABLE Commission.

23       C. The ABLE Commission may, subject to the provisions of the  
24 Oklahoma Alcoholic Beverage Control Act requiring notice and hearing

1 in the case of sanctions against holders of licenses, suspend or  
2 revoke a designating manufacturer's license or nonresident seller  
3 license, or brewer's license for any violation of the Oklahoma  
4 Alcoholic Beverage Control Act by the holder thereof.

5 D. No licensee in this state authorized to import alcoholic  
6 beverages into this state shall purchase or receive any alcoholic  
7 beverages from without this state from any person not holding a  
8 valid and existing designating manufacturer's license, ~~or~~  
9 nonresident seller license, or brewer's license. Every designating  
10 manufacturer's license or nonresident seller license shall expire on  
11 the June 30 following its issuance or renewal, and shall be eligible  
12 for subsequent renewal terms of one (1) year beginning on the July 1  
13 following each expiration. License fees for a new or initial  
14 manufacturer's license or nonresident seller license applied for  
15 after July 1 may be prorated through the following June 30 on a  
16 quarterly basis.

17 E. The holder of a designating manufacturer's license or  
18 nonresident seller license shall, promptly upon consignment of any  
19 alcoholic beverages to an importer in Oklahoma, forward to the ABLE  
20 Commission a true copy of the invoice, bill of lading or other  
21 document as the ABLE Commission may by rule prescribe, showing the  
22 details of such shipment.

23 F. Any person, not otherwise a dealer in alcoholic beverages,  
24 coming into possession of any alcoholic beverages as security for or

1 in payment of a debt, or as an insurer or its transferee or assignee  
2 for the salvage or liquidation of an insured casualty or damage or  
3 loss, or as an executor, administrator, trustee or other fiduciary,  
4 may sell the beverages in one lot or parcel to a duly licensed  
5 wholesaler or beer distributor at an agreed-upon price without  
6 regard to current posted prices. However, immediately after taking  
7 possession of the alcoholic beverages, the person shall register  
8 with the Director and furnish a detailed list of the alcoholic  
9 beverages and post with the Director a bond in such amount as the  
10 Director deems sufficient to protect the state from any taxes due on  
11 the alcoholic beverages. The person shall pay to the Director a  
12 registration fee of Fifty Dollars (\$50.00), which fee shall permit  
13 the sale of only the alcoholic beverages detailed in the  
14 registration request. A wholesaler or beer distributor receiving a  
15 lot or parcel of alcoholic beverages pursuant to this subsection may  
16 sell it in one lot or parcel or more than one lot or parcel to a  
17 licensed package store or mixed beverage licensee or more than one  
18 licensed package store or mixed beverage licensee at an agreed-upon  
19 price without regard to current posted prices; provided, the total  
20 of the lots sold by the wholesaler or beer distributor shall not  
21 exceed four (4) lots.

22 SECTION 12. AMENDATORY Section 48, Chapter 366, O.S.L.  
23 2016 (37A O.S. Supp. 2017, Section 2-136), is amended to read as  
24 follows:

1       Section 2-136. A manufacturer's agent license shall authorize  
2 the holder thereof to represent only the holders of a designating  
3 manufacturer's license or nonresident seller license and to solicit  
4 and take orders for the sale of wine and spirits for the purpose of  
5 resale. No such license shall be issued to any person until it  
6 shall have been shown to the satisfaction of the ABLE Commission  
7 that the applicant has been duly authorized to act as the agent of  
8 the principal he or she proposes to represent, and that the  
9 principal or principals he or she proposes to represent has been  
10 duly authorized to do business in the State of Oklahoma, and has  
11 appointed a service agent in this state. No applicant for a  
12 manufacturer's agent license shall also hold an agent license. It  
13 shall be unlawful for any person other than the holder of a  
14 manufacturer's agent license or ~~an~~ a wholesaler's agent license to  
15 solicit or take orders in the state from a wine and spirits  
16 wholesaler or beer distributor.

17       SECTION 13.       AMENDATORY       Section 60, Chapter 366, O.S.L.  
18 2016 (37A O.S. Supp. 2017, Section 2-148), is amended to read as  
19 follows:

20       Section 2-148. A. Any license issued pursuant to the  
21 provisions of the Oklahoma Alcoholic Beverage Control Act by the  
22 ABLE Commission, after due notice and hearing, may be revoked or  
23 suspended if the ABLE Commission finds or has grounds to believe  
24 that the licensee has:

1 1. Violated any rule promulgated by the ABLE Commission;

2 2. Procured a license through fraud, or misrepresentation, or  
3 concealment of a material fact;

4 3. Made any false representation or statement to the ABLE  
5 Commission or the Oklahoma Tax Commission in order to prevent or  
6 induce action by the ABLE Commission or the Tax Commission;

7 4. Maintained an unsanitary establishment or has supplied  
8 impure or otherwise deleterious beverages or food;

9 5. Stored, possessed, mixed or served on the premises of a  
10 bottle club any alcoholic beverage upon which the tax levied by  
11 Section ~~104~~ 5-101 of this ~~act~~ title has not been paid as provided  
12 for in the Oklahoma Alcoholic Beverage Control Act, in a county of  
13 this state where the sale of alcoholic beverages by the individual  
14 drink for on-premises consumption has not been authorized;

15 6. Misrepresented to a customer or the public any alcoholic  
16 beverage sold by the licensee;

17 7. Had any permit or license issued by the Tax Commission and  
18 required by the Oklahoma Alcoholic Beverage Control Act, suspended  
19 or revoked by the Tax Commission; or

20 8. Is not in compliance with the tax laws of this state as  
21 required in Article XXVIII A of the Oklahoma Constitution.

22 B. The ABLE Commission may revoke or suspend the license of any  
23 mixed beverage, caterer or bottle club licensee if the ABLE  
24 Commission finds or has grounds to believe that such licensee:

1        1. Has acted as an agent of a manufacturer or wholesaler of  
2 alcoholic beverages;

3        2. Is a manufacturer or wholesaler of alcoholic beverages;

4        3. Has borrowed money or property or accepted gratuities or  
5 rebates from a manufacturer or wholesaler of alcoholic beverages;

6        4. Has obtained the use of equipment from any manufacturer or  
7 wholesaler of alcoholic beverages or any agent thereof;

8        5. ~~Has violated any of the provisions of the Oklahoma Alcoholic~~  
9 ~~Beverage Control Act for which mandatory revocation or suspension is~~  
10 ~~not required;~~

11        ~~6.~~ Has been convicted within the past twenty-five (25) years,  
12 of a violation of any state or federal law relating to alcoholic  
13 beverage for which mandatory revocation or suspension is not  
14 required; or

15        ~~7.~~ 6. Is not in compliance with the tax laws of this state as  
16 required in Article XXVIII A of the Oklahoma Constitution.

17        C. The ABLE Commission may revoke or suspend the license of any  
18 retail, mixed beverage, caterer or bottle club licensee if the ABLE  
19 Commission finds or has grounds to believe that such licensee has  
20 borrowed money or property or accepted gratuities, discounts,  
21 rebates, free goods, allowances or other inducements from a wine and  
22 spirits wholesaler or beer distributor.

23        D. The ABLE Commission shall have the authority to revoke the  
24 license of any licensee if the ABLE Commission finds:

1        1. That the licensee knowingly sold alcoholic beverages or  
2 allowed such beverages to be sold, delivered or furnished to any  
3 person under the age of twenty-one (21) years or to any person  
4 visibly intoxicated or adjudged insane or mentally deficient;

5        2. That the licensee, any general or limited partner of the  
6 licensee, or in the case of a corporation, an officer or director of  
7 the corporation, has been convicted of a felony or is not in  
8 compliance with the tax laws of this state as required in Article  
9 XXVIII A of the Oklahoma Constitution;

10       3. That, in the case of a wine and spirits wholesaler, beer  
11 distributor, retail spirits, retail wine or retail beer licensee,  
12 the holder of the license or any member of a general or limited  
13 partnership which is the holder of such a license, has been  
14 convicted of a prohibitory law relating to the sale, manufacture or  
15 transportation of alcoholic beverages which constitutes a felony.

16       E. If the ABLE Commission shall find by a preponderance of the  
17 evidence as in civil cases that a licensee has knowingly sold any  
18 alcoholic beverage to any person under the age of twenty-one (21)  
19 years, after a public hearing, the ABLE Commission shall revoke such  
20 license and no discretion as to the revocation shall be exercised by  
21 the ABLE Commission.

22       ~~F.~~ The ABLE Commission shall have the authority to promulgate  
23 rules to establish a penalty schedule for violations of any  
24 provision of the Oklahoma Alcoholic Beverage Control Act or any rule

1 of the ABLE Commission. The schedule shall provide for suspension  
2 or revocation of any license for major and minor violations as  
3 determined by the ABLE Commission. Penalties shall be increasingly  
4 severe with each violation by a licensee.

5        Provided, that for a fourth major violation by a licensee within  
6 a twenty-four-month period, the penalty shall be mandatory  
7 revocation of license. The twenty-four-month period shall be  
8 calculated from the date of the most recent violation as set forth  
9 in an order signed by the Director or the designee of the Director.

10        ~~G.~~ F. The ABLE Commission or the Tax Commission may impose a  
11 monetary penalty in lieu of or in addition to suspension of a  
12 license. The amount of the fine for a major violation shall be  
13 computed by multiplying the proposed number of days of the  
14 suspension period by One Hundred Dollars (\$100.00). The amount of  
15 the fine for a minor violation shall be computed by multiplying the  
16 number of days of the proposed suspension period by Fifty Dollars  
17 (\$50.00).

18        ~~H.~~ G. The failure of any licensee to pay a fine or serve a  
19 suspension imposed by the ABLE Commission or the Tax Commission  
20 shall result in the revocation of the license of the licensee.

21        ~~F.~~ H. If the ABLE Commission or the Tax Commission finds that  
22 public health, safety or welfare require emergency action, and  
23 incorporates a finding to that effect in its order, summary  
24 suspension of a license may be ordered pending proceeding for

1 revocation or other action, pursuant to the provisions of Section  
2 314 of Title 75 of the Oklahoma Statutes.

3 SECTION 14. AMENDATORY Section 79, Chapter 366, O.S.L.  
4 2016 (37A O.S. Supp. 2017, Section 3-109), is amended to read as  
5 follows:

6 Section 3-109. In order to regulate distribution of beer in  
7 this state and assure collection of all applicable taxes and fees,  
8 all beer sold in this state by a licensed distributor shall only be  
9 transported within this state to the licensed address and location  
10 of a licensed retailer or between the licensed addresses and  
11 locations of licensed retailers ~~by a marked conveyance owned or~~  
12 ~~leased by a licensed distributor~~ in the manner as permitted by law.

13 SECTION 15. AMENDATORY Section 80, Chapter 366, O.S.L.  
14 2016, as amended by Section 15, Chapter 364, O.S.L. 2017 (37A O.S.  
15 Supp. 2017, Section 3-110), is amended to read as follows:

16 Section 3-110. A. A licensed distributor designated as the  
17 licensed distributor for a beer brand within a designated sales  
18 territory shall present that beer brand for sale to all on-premise  
19 licensees on the same price basis and without discrimination and to  
20 all off-premise licensees on the same price basis within a  
21 particular county and without discrimination. A licensed  
22 distributor shall not sell, supply or deliver, either directly or  
23 indirectly through a third party, a beer brand to a licensed  
24 retailer outside of the designated sales territory of the designated

1 distributor nor to any person the licensed distributor has reason to  
2 believe will sell or supply any quantity of the beer brand to any  
3 retail location outside of the designated sales territory of the  
4 designated distributor.

5 B. All beer shall only be transported ~~by~~by:

6 1. By a marked conveyance owned or leased by:

7 a. the licensed beer distributor and operated by the  
8 licensed beer distributor or an employee of the beer  
9 distributor ~~for~~, or

10 b. a licensed wine and spirits wholesaler having common  
11 ownership with the licensed beer distributor and  
12 operated by the commonly owned wine and spirits  
13 wholesaler or an employee of the commonly owned wine  
14 and spirits wholesaler; and

15 2. For the products of a licensed manufacturer within the  
16 designated sales territory to the address and location of a licensed  
17 retailer within that designated sales territory.

18 C. Any beer sold by the licensed distributor shall not be  
19 delivered to, received by or stored at any place other than the  
20 address and location of the licensed retailer for which state and  
21 local retailer licenses or permits have been issued.

22 D. With the approval of the licensed manufacturer, a licensed  
23 distributor may sell the designated brands to a licensed retailer  
24 located in a designated sales territory of another licensed

1 distributor if that licensed distributor is temporarily unable for  
2 any reason to provide the designated brands of the licensed  
3 manufacturer within its designated sales territory.

4 E. All beer purchased by a licensed distributor for resale in  
5 this state shall physically come into the possession of the licensed  
6 distributor and be unloaded in and distributed from the licensed  
7 warehouses of the licensed distributor located in this state prior  
8 to being resold in this state.

9 SECTION 16. AMENDATORY Section 86, Chapter 366, O.S.L.  
10 2016, as amended by Section 17, Chapter 364, O.S.L. 2017 (37A O.S.  
11 Supp. 2017, Section 3-116), is amended to read as follows:

12 Section 3-116. A. 1. Any manufacturer or subsidiary of a  
13 manufacturer who markets its products solely through a subsidiary or  
14 subsidiaries, a distiller, rectifier, bottler, winemaker or importer  
15 of alcoholic beverages, bottled or made in a foreign country, either  
16 within or without this state, may sell such brands or kinds of  
17 alcoholic beverages to every licensed wine and spirits wholesaler  
18 who desires to purchase the same, on the same price basis and  
19 without discrimination or inducements, and shall further be required  
20 to sell such beverages only to those persons licensed as wine and  
21 spirits wholesalers; provided, that a manufacturer may designate a  
22 single wine and spirits wholesaler to distribute its brands within  
23 the state, hereafter referred to as a designating manufacturer.  
24

1        2. If a manufacturer elects to designate one or more of its  
2 brands, it may designate different brands within its portfolio to a  
3 different wine and spirits wholesaler, but no particular brand shall  
4 be designated to, posted, or sold to the retail tier by more than  
5 one wine and spirits wholesaler within the state.

6        3. A designating manufacturer may transfer the exclusive right  
7 to distribute one or more of its brands to a different wine and  
8 spirits wholesaler within the state, provided the designating  
9 manufacturer provides the current designated wholesaler sixty (60)  
10 days written notice of its intent to transfer the brand; provided,  
11 the parties may agree upon an earlier transfer date.

12        B. The provisions of subsection A of this section shall not  
13 apply to a brewer.

14        C. No manufacturer shall require a wine and spirits wholesaler  
15 or beer distributor to purchase any alcoholic beverages or any  
16 goods, wares or merchandise as a condition to the wine and spirits  
17 wholesaler or beer distributor obtaining or being entitled to  
18 purchase any alcoholic beverages.

19        Violation of this section shall be a misdemeanor. Conviction  
20 hereunder shall automatically revoke the violator's license.

21        D. In the event a manufacturer or nonresident seller has not  
22 designated a wine and spirits wholesaler to sell its product in the  
23 state, the product shall be posted in accordance with the following:

1        1. On the first business day of each month, the manufacturer  
2 shall post with the ABLE Commission the price of all wine and  
3 spirits it proposes to offer for sale to licensed wine and spirit  
4 wholesalers in this state. All prices shall become effective on the  
5 first business day of the following month and shall remain in effect  
6 and unchanged for a period of not less than one (1) month. The  
7 posting shall be submitted on a form approved by the ABLE Commission  
8 and shall identify the brand, size, alcohol content and price of  
9 each item intended to be offered for sale. No change or  
10 modification of the posted price shall be permitted except upon  
11 written permission from the ABLE Commission based on good cause  
12 shown;

13        2. When a new item is registered, or an old item is  
14 discontinued, or any change is made by a manufacturer or nonresident  
15 seller as to price, age, proof, label or type of bottle of any item  
16 offered for sale in this state, such new item, discontinued item or  
17 change in price, age, proof, label or type of bottle of any item  
18 shall be listed separately on the cover page of the price schedule  
19 and, in the case of prices changed, shall reflect both the old and  
20 the new price of the item changed. All new items and changes as to  
21 age, proof, label or type of bottle in which any item is offered for  
22 sale shall first be submitted in writing to the ABLE Commission for  
23 approval under such requirements as it may deem proper. Approval or  
24

1 disapproval of price changes shall not be required if filed in  
2 conformity with the provisions of this subsection.

3       a. In addition to the foregoing requirements, the  
4 manufacturer shall, at the same time, on regular forms  
5 provided by the ABLE Commission, re-register all items  
6 of alcoholic beverage which the manufacturer had  
7 registered and offered for sale in this state during  
8 the previous price period.

9       b. A short form of price posting may be permitted by the  
10 ABLE Commission for any price period in which no new  
11 item is offered or old item discontinued, or change is  
12 made in the price, age, proof, label or type of bottle  
13 of any item offered by any manufacturer. Such short  
14 form shall contain only such statements as the  
15 Director may require or permit;

16       3. The brand name, size, proof and type of alcoholic beverages  
17 must be shown on each container sold in this state;

18       4. No brand of alcoholic beverage shall be listed on a price  
19 list or posting in more than one place, or offered for sale by more  
20 than one method, or at more than one price, except as provided  
21 hereafter:

22       a. a manufacturer who has posted F.O.B. prices from a  
23 foreign shipping point shall also list the same  
24 item(s) at an F.O.B. point within the continental

1 United States. Only one United States F.O.B. point  
2 shall be permitted, and

3 b. a manufacturer may list on their price list or posting  
4 an item of specific size that may be packaged in more  
5 than one type or design of container, provided that  
6 the containers being offered have been approved by the  
7 ABLE Commission;

8 5. The manufacturer shall sell to the wine and spirits  
9 wholesalers all items of wine and spirits at the current posted  
10 price in effect on the date of the shipment as shown on the  
11 manifest, bill of lading or invoice;

12 6. A full and correct copy of each said price registration  
13 shall be transmitted to wine and spirits wholesalers on the same day  
14 such prices are filed with or mailed to the ABLE Commission. Proof  
15 of such mailing or delivery shall be furnished the ABLE Commission  
16 by the manufacturer with the price registration or upon request;

17 7. The sale, or offer to sell, of any item of alcoholic  
18 beverage by a manufacturer to a wine and spirits wholesaler at a  
19 price not in compliance with the price posted with the ABLE  
20 Commission may be deemed a violation; and

21 8. This subsection shall not apply to a manufacturer that has  
22 designated a wine and spirits wholesaler to sell its product in the  
23 state.

SECTION 17. AMENDATORY Section 19, Chapter 364, O.S.L.

2017 (37A O.S. Supp. 2017, Section 3-116.2), is amended to read as follows:

Section 3-116.2 A. In the event a manufacturer has designated a wine and spirits wholesaler to sell its product in the state, the wine and spirits wholesaler shall comply with the following posting requirements: The wine and spirits wholesaler shall submit its line-item price posting for that product no later than the fifteenth day of each month. If the fifteenth day of the month falls on a Saturday, Sunday or a holiday then the wine and spirits wholesaler shall submit its price posting on the next business day. The price posting submitted by the wine and spirits wholesaler shall list the line-item price, handling cost, transportation cost and any other costs that may be associated with the sale or delivery of that item. All prices shall become effective on the first business day of the month following posting and shall remain in effect and unchanged in one-month increments. No change or modification of the posted price shall be permitted except upon written permission from the ABLE Commission based on good cause shown.

B. This section shall not apply unless a product has been designated by a manufacturer for distribution by a single wine and spirits wholesaler in the state.

C. This section shall become effective on September 1, 2018.

1       SECTION 18.       AMENDATORY       Section 98, Chapter 366, O.S.L.  
2 2016 (37A O.S. Supp. 2017, Section 4-101), is amended to read as  
3 follows:

4       Section 4-101. A. Municipalities are authorized to enact  
5 ordinances consistent with the provisions of the Oklahoma Alcoholic  
6 Beverage Control Act. Provided, municipalities may not enact  
7 ordinances criminalizing conduct that may be prosecuted  
8 administratively by the ABLE Commission. In municipalities with  
9 populations of thirty-five thousand (35,000) or more according to  
10 the most recent federal decennial census, these ordinances may  
11 provide for maximum penalties of fines not to exceed One Thousand  
12 Dollars (\$1,000.00) plus court costs, an imprisonment not to exceed  
13 ninety (90) days, or both such fine and imprisonment.

14       B. All municipalities of this state may enact ordinances  
15 prohibiting or regulating nudity or drink solicitation in  
16 establishments licensed pursuant to the provisions of the Oklahoma  
17 Alcoholic Beverage Control Act.

18       C. The provisions of this section shall not authorize any  
19 municipality to regulate by ordinance or issue any licenses for  
20 activities for which a license is required to be issued pursuant to  
21 the provisions of the Oklahoma Alcoholic Beverage Control Act.

22       SECTION 19.       AMENDATORY       Section 135, Chapter 366, O.S.L.  
23 2016, as amended by Section 23, Chapter 364, O.S.L. 2017 (37A O.S.  
24 Supp. 2017, Section 5-132), is amended to read as follows:

1       Section 5-132. A. Except as provided in subsection D of this  
2 section, no alcoholic beverage shall be labeled, offered or  
3 advertised for sale in this state unless in accordance with rules  
4 promulgated pursuant to the provisions of Section 5-130 of this  
5 title and unless the brand label shall have been registered with and  
6 approved by the ABLE Commission and the appropriate fee paid as  
7 provided for in this section.

8       B. An application for registration of a brand label shall be  
9 filed by and fees paid by the manufacturer or brewer of the brand ~~if~~  
10 ~~the manufacturer or brewer is licensed by the ABLE Commission;~~  
11 ~~however, if the manufacturer is represented by a manufacturer's~~  
12 ~~agent, licensed nonresident seller, wine and spirits.~~ The  
13 designated wholesaler or beer distributor, ~~then the manufacturer's~~  
14 ~~agent, nonresident seller, wine and spirits wholesaler or beer~~  
15 ~~distributor shall~~ may submit each label for each product the  
16 designating manufacturer or brewer offers for sale in this state,  
17 along with payment of the brand registration fee, on behalf of the  
18 manufacturer or brewer; provided, the manufacturer or brewer must  
19 fully reimburse the ~~manufacturer's agent, licensed nonresident~~  
20 ~~seller, wine and spirits~~ designated wholesaler or beer distributor  
21 for the cost of the brand registration fee within forty-five (45)  
22 days of the time the original brand registration fee is paid.  
23 Cordials and wines which differ only as to age or vintage year, as  
24 defined by such rules, shall be considered the same brand, and those

1 that differ as to type or class may be considered the same brand by  
2 the ABLE Commission where consistent with the purposes of this  
3 section.

4 C. The application for registration of a brand label shall be  
5 filed on a form prescribed by the ABLE Commission, and shall contain  
6 such information as the ABLE Commission shall require. Such  
7 application shall be accompanied by a certified check, bank  
8 officers' check or draft or money order in the amount of the annual  
9 registration fee, or the properly prorated portion thereof  
10 prescribed by this section.

11 D. 1. The annual fee for registration of any brand label for  
12 spirits shall be Three Hundred Seventy-five Dollars (\$375.00). The  
13 annual fee for registration of any brand label for beer shall be Two  
14 Hundred Dollars (\$200.00). The annual fee for registration of any  
15 brand label for wine made in the United States, or for registration  
16 of any category of imported wine as defined by the Tax Commission,  
17 shall be Two Hundred Dollars (\$200.00). Beer manufactured in this  
18 state shall be exempt from brand label registration fees.

19 2. Each brand label registered and approved pursuant to this  
20 section shall be valid for a term of up to one (1) year, expiring on  
21 the June 30 next following registration, and may be renewed for  
22 subsequent terms of one (1) year beginning on the July 1 following  
23 the initial registration. Brand registration fees for labels  
24 registered after July 1 may be prorated through the following June

1 30 on a quarterly basis. The brand registration fee shall not be  
2 transferable, unless otherwise allowed by law. A nonresident seller  
3 may transfer brand registrations to the distiller or winery that  
4 produces those brands, provided the distiller or winery has obtained  
5 a designating manufacturer's license, at no expense to the  
6 nonresident seller, distiller or winery.

7 E. If the ABLE Commission shall deny the application for  
8 registration of a brand label, it shall return the registration fee  
9 to the applicant, less twenty-five percent (25%) of such fee.

10 F. The ABLE Commission may at any time exempt any discontinued  
11 brand from fee provisions of this section where a manufacturer or  
12 wholesaler has an inventory of one hundred cases or less of liquor  
13 or wine and five hundred cases or less of beer, and certifies to the  
14 ABLE Commission in writing that such brand is being discontinued.

15 G. No private labels or control labels shall be approved for  
16 sale in this state.

17 SECTION 20. AMENDATORY Section 141, Chapter 366, O.S.L.  
18 2016 (37A O.S. Supp. 2017, Section 6-101), is amended to read as  
19 follows:

20 Section 6-101. A. No person shall:

21 1. Knowingly sell, deliver or furnish alcoholic beverages to  
22 any person under twenty-one (21) years of age;  
23  
24

1        2. Sell, deliver or knowingly furnish alcoholic beverages to an  
2 intoxicated person or to any person who has been adjudged insane or  
3 mentally deficient;

4        3. Open a retail container or consume alcoholic beverages on  
5 the premises of a package store, grocery store, convenience store or  
6 drug store, unless otherwise permitted by law;

7        4. Import into this state, except as provided for in the  
8 Oklahoma Alcoholic Beverage Control Act, any alcoholic beverages;  
9 provided, that nothing herein shall prohibit the importation or  
10 possession for personal use of not more than one (1) liter of  
11 alcoholic beverages upon which the Oklahoma excise tax is  
12 delinquent;

13       5. Receive, possess or use any alcoholic beverage in violation  
14 of the provisions of the Oklahoma Alcoholic Beverage Control Act;

15       6. Transport into, within or through this state more than one  
16 (1) liter of alcoholic beverages upon which the Oklahoma excise tax  
17 has not been paid unless the person accompanying or in charge of the  
18 vehicle transporting same shall possess a true copy of a bill of  
19 lading, invoice, manifest or other document particularly identifying  
20 the alcoholic beverages being transported and showing the name and  
21 address of the consignor and consignee; provided, this prohibition  
22 shall not apply to the first one hundred eighty (180) liters of  
23 alcoholic beverages classified as household goods by military  
24

1 personnel, age twenty-one (21) or older, when entering Oklahoma from  
2 temporary active assignment outside the contiguous United States;

3 7. Knowingly transport in any vehicle upon a public highway,  
4 street or alley any alcoholic beverage except in the original  
5 container which shall not have been opened and the seal upon which  
6 shall not have been broken and from which the original cap or cork  
7 shall not have been removed, unless the opened container be in the  
8 rear trunk or rear compartment, which shall include the spare tire  
9 compartment in a vehicle commonly known as a station wagon and panel  
10 truck, or any outside compartment which is not accessible to the  
11 driver or any other person in the vehicle while it is in motion;

12 8. Consume spirits, wine or beer in public except on the  
13 premises of a licensee of the ABLE Commission who is authorized to  
14 sell or serve spirits by the individual drink, or unless otherwise  
15 permitted by law. No person shall be intoxicated in a public place.  
16 This provision shall be cumulative and in addition to existing law;

17 9. Forcibly resist lawful arrest, or by physical contact  
18 interfere with an investigation of any infringement of the Oklahoma  
19 Alcoholic Beverage Control Act or with any lawful search or seizure  
20 being made by a law enforcement officer or an employee of the ABLE  
21 Commission, when such person knows or should know that such acts are  
22 being performed by a state, county or municipal officer or employee  
23 of the ABLE Commission;

1        10. Manufacture, duplicate, counterfeit or in any way imitate  
2 any bottle club membership card required to be issued by the ABLE  
3 Commission without the permission of the ABLE Commission;

4        11. Consume or possess alcoholic beverages on the licensed  
5 premises of a bottle club unless such person possesses a valid  
6 membership card for that club issued by the club;

7        12. Knowingly possess any bottle club membership card required  
8 to be issued by the ABLE Commission which has been manufactured,  
9 counterfeited, imitated or in any way duplicated without the  
10 permission of the ABLE Commission; or

11       13. Knowingly and willfully permit any individual under twenty-  
12 one (21) years of age who is an invitee to the person's residence,  
13 any building, structure or room owned, occupied, leased or otherwise  
14 procured by the person or on any land owned, occupied, leased or  
15 otherwise procured by the person, to possess or consume any  
16 alcoholic beverage as defined by Section 3 of this act, any  
17 controlled dangerous substance as defined in the Uniform Controlled  
18 Dangerous Substances Act, or any combination thereof, in such place.

19       B. Except as provided for in subsection C of this section,  
20 punishment for violation of paragraph 13 of subsection A of this  
21 section shall be as follows:

22       1. Any person who is convicted of a violation of the provisions  
23 of paragraph 13 of subsection A of this section shall be deemed  
24

1 guilty of a misdemeanor for the first offense and be punished by a  
2 fine of not more than Five Hundred Dollars (\$500.00);

3 2. Any person who, within ten (10) years after previous  
4 convictions of a violation:

- 5 a. of paragraph 13 of subsection A of this section,
- 6 b. of the provisions of any law of another state  
7 prohibiting the offense provided for in paragraph 13  
8 of subsection A of this section, or
- 9 c. in a municipal criminal court of record for the  
10 violation of a municipal ordinance prohibiting the  
11 offense provided for in paragraph 13 of subsection A  
12 of this section,

13 shall be guilty of a misdemeanor and shall be punished by a fine of  
14 not more than One Thousand Dollars (\$1,000.00);

15 3. Any person who, within ten (10) years after two or more  
16 previous convictions of a violation:

- 17 a. of paragraph 13 of subsection A of this section,
- 18 b. of the provisions of any law of another state  
19 prohibiting the offense provided for in paragraph 13  
20 of subsection A of this section, or
- 21 c. in a municipal criminal court of record for the  
22 violation of a municipal ordinance prohibiting the  
23 offense provided for in paragraph 13 of subsection A  
24 of this section, or

1           d. ~~or~~ of any combination of two or more thereof,  
2 shall be guilty of a felony and shall be punished by a fine of not  
3 more than Two Thousand Five Hundred Dollars (\$2,500.00), or by  
4 imprisonment in the custody of the Department of Corrections for not  
5 more than five (5) years, or by both such fine and imprisonment.

6           C. Any person who violates paragraph 13 of subsection A of  
7 this section, and such actions cause great bodily injury or the  
8 death of a person, shall, in addition to any other penalty provided  
9 by law, be guilty of a felony, punishable by imprisonment in the  
10 custody of the Department of Corrections for not more than five (5)  
11 years, a fine of not less than Two Thousand Five Hundred Dollars  
12 (\$2,500.00) nor more than Five Thousand Dollars (\$5,000.00), or both  
13 such fine and imprisonment.

14           D. Except as provided in subsection C of Section 166 of this  
15 act, any person who shall engage in any of the following and disturb  
16 the peace of any person:

17           1. In any public place, or in or upon any passenger coach,  
18 streetcar, or in or upon any other vehicle commonly used for the  
19 transportation of passengers, or in or about any depot, platform,  
20 waiting station or room, drink or otherwise consume any intoxicating  
21 liquor unless authorized by this act, intoxicating substance or  
22 intoxicating compound of any kind, or inhale glue, paint or other  
23 intoxicating substance;

1        2. Be drunk or intoxicated in any public or private road, or in  
2 any passenger coach, streetcar or any public place or building, or  
3 at any public gathering, from drinking or consuming such  
4 intoxicating liquor, intoxicating substance or intoxicating compound  
5 or from inhalation of glue, paint or other intoxicating substance;  
6 or

7        3. Be drunk or intoxicated from any cause,  
8 shall be guilty of a misdemeanor, and upon conviction thereof shall  
9 be punished by a fine of not less than Ten Dollars (\$10.00), nor  
10 more than One Hundred Dollars (\$100.00) or by imprisonment for not  
11 less than five (5) days nor more than thirty (30) days or by both  
12 such fine and imprisonment.

13        SECTION 21.        AMENDATORY        Section 145, Chapter 366, O.S.L.  
14 2016, as amended by Section 2, Chapter 366, O.S.L. 2017 (37A O.S.  
15 Supp. 2017, Section 6-105), is amended to read as follows:

16        Section 6-105. No mixed beverage, public event, special event  
17 or on-premises beer and wine licensee shall:

18        1. Purchase or receive any alcoholic beverage other than from a  
19 person holding a wine and spirit wholesaler or beer distributor  
20 license issued pursuant to the Oklahoma Alcoholic Beverage Control  
21 Act; provided, a mixed beverage or on-premises beer and wine  
22 licensee whose premises are a restaurant may purchase wine produced  
23 at wineries in this state directly from a winemaker as provided in  
24 Section 2 of Article XXVIII A of the Oklahoma Constitution;

1        2. Transport alcoholic beverages from the place of purchase to  
2 the licensed premises unless the licensee also holds a private  
3 carrier license issued by the ABLE Commission;

4        3. Use or allow the use of any mark or label on a container of  
5 alcoholic beverage which is kept for sale which does not clearly and  
6 precisely indicate the nature of the contents or which might deceive  
7 or conceal the nature, composition, quantity, age or quality of such  
8 beverage;

9        4. Keep or knowingly permit any alcoholic beverage to be kept,  
10 brought or consumed on the licensed premises which is not allowed to  
11 be sold or served upon such premises; or

12        5. Allow any person under twenty-one (21) years of age to enter  
13 into, remain within or loiter about the designated bar area of the  
14 licensed premises, except for persons who incidentally pass through  
15 the designated area.

16        The prohibition in this subsection against persons under twenty-  
17 one (21) years of age entering or remaining within the designated  
18 bar area of the licensed premises shall not apply:

- 19            a. if the licensed premises are closed to the public  
20                during a time the premises are legally permitted to be  
21                open for business and the premises are used for a  
22                private party at which alcoholic beverages may be  
23                served to persons twenty-one (21) years of age or  
24                older. Any alcoholic beverages served at a private

1 party on the licensed premises may be purchased from  
2 the licensee at a negotiated price or purchased  
3 privately and served at the private party on the  
4 licensed premises. Any licensee who desires to  
5 conduct such a private party shall notify the ABLE  
6 Commission, in writing, at least ten (10) calendar  
7 days prior to the private party. The notification  
8 shall include the date, time and purpose of the  
9 private party and any other information the ABLE  
10 Commission may deem necessary, or

11 b. to a designated bar area which is a concessions stand  
12 serving beer ~~and~~, wine or spirits, in addition to food  
13 and nonalcoholic beverages, which concession stand is  
14 located at, in, or on the premises of a sports, music  
15 or entertainment venue, convention center, fairgrounds  
16 or similar facility.

17 SECTION 22. AMENDATORY Section 165, Chapter 366, O.S.L.  
18 2016 (37A O.S. Supp. 2017, Section 6-125), is amended to read as  
19 follows:

20 Section 6-125. ~~A.~~ Any person who shall violate any provision  
21 of the Oklahoma Alcoholic Beverage Control Act for which no specific  
22 administrative or civil penalty is prescribed shall be guilty of a  
23 misdemeanor and be fined not more than Five Hundred Dollars  
24

1 (\$500.00), or imprisoned in the county jail for not more than six  
2 (6) months, or by both such fine and imprisonment.

3 ~~B. Provided, however, notwithstanding any provision of law to~~  
4 ~~the contrary, any offense, including traffic offenses, in violation~~  
5 ~~of any of the provisions of the Oklahoma Alcoholic Beverage Control~~  
6 ~~Act which is not otherwise punishable by a term of imprisonment or~~  
7 ~~confinement shall be punishable by a term of imprisonment not to~~  
8 ~~exceed one day in the discretion of the court, in addition to any~~  
9 ~~fine prescribed by law.~~

10 SECTION 23. REPEALER 37 O.S. 2011, Section 521, as last  
11 amended by Section 1 of this act, and 37 O.S. 2011, Section 573, as  
12 amended by Section 2 of this act, are hereby repealed.

13 SECTION 24. Sections 1, 2, 4 and 7 of this act shall become  
14 effective July 1, 2018.

15 SECTION 25. Sections 5, 8, 11, 15 and 16 of this act shall  
16 become effective August 1, 2018.

17 SECTION 26. Section 17 of this act shall become effective  
18 September 1, 2018.

19 SECTION 27. Sections 3, 6, 9, 10, 12, 13, 14, 18, 19, 20, 21,  
20 22 and 23 of this act shall become effective October 1, 2018.

21 SECTION 28. It being immediately necessary for the preservation  
22 of the public peace, health or safety, an emergency is hereby  
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24

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

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