

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 HOUSE BILL 3429

 By: **Strom** and McEntire

7 AS INTRODUCED

8 An Act relating to alcoholic beverages; amending
9 Section 14, Chapter 366, O.S.L. 2016, as last amended
10 by Section 3, Chapter 322, O.S.L. 2019 (37A O.S.
11 Supp. 2019, Section 2-102), which relates to brewer
 and small brewer licenses; authorizing holders of
 multiple small brewer licenses to sell beer at
 multiple locations; and providing an effective date.

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

15 SECTION 1. AMENDATORY Section 14, Chapter 366, O.S.L.
16 2016, as last amended by Section 3, Chapter 322, O.S.L. 2019 (37A
17 O.S. Supp. 2019, Section 2-102), is amended to read as follows:

18 Section 2-102. A. A brewer license shall authorize the holder
19 thereof:

20 1. To manufacture, bottle, package and store beer and cider on
21 the licensed premises; and

22 2. To sell beer and cider in this state to holders of beer
23 distributor licenses and to sell beer and cider out of this state to
24 qualified persons.

1 B. A small brewer license shall authorize the holder thereof:

2 1. To manufacture, bottle, package and store beer produced by
3 the licensee on licensed premises;

4 2. To sell beer in this state to holders of beer distributor
5 licenses and retail licenses or to sell beer out of this state to
6 qualified persons;

7 3. To serve free samples of beer produced by the licensee to
8 visitors twenty-one (21) years of age or older;

9 4. To sell beer produced by the licensee for either on-premises
10 or off-premises consumption to consumers on the brewery premises, or
11 on premises located contiguous thereto;

12 5. To sell beer at public events such as trade shows or
13 festivals;

14 6. To purchase wine in retail containers from the holder of a
15 wholesaler license or as specifically provided by law; and

16 7. To sell, offer for sale and possess wine for on-premises
17 consumption.

18 C. The holder of multiple small brewer licenses may sell beer
19 produced at any brewery for which the licensee has a license at any
20 other brewery for which the licensee has a license, or on premises
21 located contiguous thereto.

22 D. Nothing in ~~this act~~ the Alcoholic Beverage Control Act shall
23 prohibit the holder of a small brewer license from also holding or
24 owning an interest in the holder of a brewpub license.

1 ~~D.~~ E. For purposes of this section, no visitor may sample more
2 than a total of twelve (12) fluid ounces of beer per day. The
3 brewer must restrict the distribution and consumption of beer
4 samples to an area within the licensed premises designated by the
5 brewer. A current floor plan that includes the designated sampling
6 area must be on file with the ABLE Commission. No visitor under
7 twenty-one (21) years of age shall be permitted to enter this
8 designated sampling area when samples are being distributed or
9 consumed. Samples of beer served by a brewery under this section
10 shall not be considered a sale of beer within the meaning of Article
11 XXVIII-A of the Oklahoma Constitution or Section 1-103 of this
12 title; however, such samples of beer shall be considered beer
13 removed or withdrawn from the brewery for use or consumption within
14 the meaning of Section 5-110 of this title for excise tax
15 determination and reporting requirements. Sales and sampling may
16 only occur between the hours of 10:00 a.m. and 2:00 a.m.

17 ~~E.~~ F. A small brewer self-distribution license shall authorize
18 holders of a small brewer license to distribute beer produced only
19 by such licensee to a holder of a retail beer license, retail
20 spirits license, mixed beverage license, beer and wine license,
21 caterer's license, special event license, public event license,
22 charitable auction license or brewpub license. A small brewer shall
23 elect whether it will distribute through a distributor or self-
24 distribute in a subject territory; however, a small brewer may not

1 elect to do both simultaneously in a subject territory. The
2 election shall be made through notice to the ABLE Commission. Any
3 changes to the election shall require immediate notification to the
4 ABLE Commission before the change in election will take effect. A
5 small brewer that elects to self-distribute in multiple territories
6 shall only be required to have one small brewer self-distribution
7 license.

8 ~~F.~~ G. All manufacturer's licenses held by brewers during the
9 first calendar year beginning October 1, 2018, shall automatically
10 convert to brewer licenses and be deemed effective as of the date of
11 the first issuance of the manufacturer's license. Upon the first
12 renewal of said license, the brewer will need to obtain the
13 appropriate brewer's license. If a brewer elects to market wine and
14 spirits, the brewer will also be required to obtain a manufacturer's
15 license and comply with the rules and regulations for both licenses.

16 SECTION 2. This act shall become effective November 1, 2020.
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18 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
19 02/26/2020 - DO PASS, As Coauthored.
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