

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 ENGROSSED SENATE
5 BILL NO. 813

By: Bice of the Senate

and

McEntire of the House

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10 An Act relating to alcoholic beverage licenses;
11 creating a complimentary beverage license for certain
12 purpose; stating eligibility for license; restricting
13 purchases to certain providers; exempting employees
14 who serve beverages from licensure; making license
15 renewable annually; exempting license from permanent
16 location requirement; allowing winery and brewer to
17 serve samples and sealed product on certain premises;
18 amending Section 13, Chapter 366, O.S.L. 2016, as
19 last amended by Section 2, Chapter 312, O.S.L. 2018
20 (37A O.S. Supp. 2018, Section 2-101), which relates
21 to license fees; setting license fees; providing for
22 codification; providing an effective date; and
23 declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2-159 of Title 37A, unless there
is created a duplication in numbering, reads as follows:

A complimentary beverage license shall authorize the holder
thereof: To provide, free of charge for on premises consumption

1 only, no more than two alcoholic beverages containing spirits,
2 twelve (12) ounces of wine, or twenty-four (24) ounces of beer per
3 day, to a guest or client who is twenty-one (21) years of age or
4 older. This license shall not be issued to a business which
5 possesses any other form of license issued by the ABLE Commission,
6 except for event-type licenses. Complimentary beverage licenses
7 shall only be issued to a business located in a building or
8 structure that has a permanent physical address. This license shall
9 only be issued to businesses which involve retail sales or provide
10 services to its clients including, but not limited to, furniture
11 stores, art studios, nail salons, hair salons, cigar stores,
12 clothing stores, bridal shops or business support services. A
13 chamber of commerce, main street, economic development authority,
14 vocational trade school, higher education college or similar
15 organization promoting economic development or an organization that
16 is exempt from taxation pursuant to the provisions of subsection (c)
17 of Section 501 of the United States Internal Revenue Code shall also
18 qualify for a complimentary beverage license. A business whose
19 patronage is primarily persons under the age of eighteen (18), is a
20 restaurant or a business that provides adult entertainment shall not
21 qualify for a license. Upon issuance of the license, the business
22 shall purchase all of its alcoholic beverages from a brewer,
23 winemaker, retail spirit, retail beer, or retail wine licensee and
24 will become a licensed premise subject to inspection by any ABLE

1 Commission agent or any other peace officer, pursuant to Section 5-
2 115 of Title 37A of the Oklahoma Statutes. Employees who serve the
3 alcoholic beverage shall be twenty-one (21) years of age or older
4 and shall not be required to obtain an employee license. A
5 complimentary beverage license shall not be used in lieu of a mixed
6 beverage, caterer, brew pub, brewer, public event, special event,
7 beer and wine, or charitable event license. This license is an
8 annual license and renewable on an annual basis.

9 A chamber of commerce, main street, economic development
10 authority, vocational trade school, higher education college or
11 similar organization promoting economic development shall be exempt
12 from the permanent location requirement and permitted to utilize the
13 license at other locations within the city in which they are located
14 or on their campus for member recruitment, education and development
15 of new business functions.

16 The holder of an Oklahoma winery or brewers license may serve
17 free samples and offer for sale sealed product for off premises
18 consumption at temporary tastings on the premises of a complimentary
19 beverage licensee.

20 SECTION 2. AMENDATORY Section 13, Chapter 366, O.S.L.
21 2016, as last amended by Section 2, Chapter 312, O.S.L. 2018 (37A
22 O.S. Supp. 2018, Section 2-101), is amended to read as follows:
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Section 2-101. A. Except as otherwise provided in this section, the licenses issued by the ABLE Commission, and the annual fees therefor, shall be as follows:

1. Brewer License.....	\$1,250.00
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2.	Small Brewer License.....	\$125.00
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3. Distiller License.....	\$3,125.00
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4. Winemaker License.....	\$625.00
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5. Small Farm Winery License.....	\$75.00
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6. Rectifier License.....	\$3,125.00
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7. Wine and Spirits Wholesaler License.....	\$3,000.00
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8. Beer Distributor License.....	\$750.00
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9. The following retail spirits license fees shall be determined by the latest Federal Decennial Census:

a. Retail Spirits License for cities and

towns from 200 to 2,500 population.....	\$305.00
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b. Retail Spirits License for cities and

towns from 2,501 to 5,000 population.....	\$605.00
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c. Retail Spirits License for cities and

towns over 5,000 population.....	\$905.00
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10.	Retail Wine License.....	\$1,000.00
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11.	Retail Beer License.....	\$500.00
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12. Mixed Beverage License.....	\$1,005.00
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(initial license)
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\$905.00

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

1	21.	Agent License.....	\$55.00
2	22.	Employee License.....	\$30.00
3	23.	Industrial License.....	\$23.00
4	24.	Carrier License.....	\$23.00
5	25.	Private Carrier License.....	\$23.00
6	26.	Bonded Warehouse License.....	\$190.00
7	27.	Storage License.....	\$23.00
8	28.	Nonresident Seller License or Manufacturer's	
9		License.....	\$750.00
10	29.	Manufacturer's Agent License.....	\$55.00
11	30.	Sacramental Wine Supplier License.....	\$100.00
12	31.	Charitable Auction License.....	\$1.00
13	32.	Charitable Alcoholic Beverage License.....	\$55.00
14	33.	Winemaker Self-Distribution License.....	\$750.00
15	34.	Annual Public Event License.....	\$1,005.00
16	35.	One-Time Public Event License.....	\$255.00
17	36.	Small Brewer Self-Distribution License.....	\$750.00
18	37.	Brewpub License.....	\$1,005.00
19	38.	Brewpub Self-Distribution License.....	\$750.00
20	39.	<u>Complimentary Beverage License.....</u>	<u>\$75.00</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

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

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

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

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

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

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

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1 E. All licenses, except as otherwise provided, shall be valid
2 for one (1) year from date of issuance unless revoked or
3 surrendered. Provided, all employee licenses shall be valid for two
4 (2) years.

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

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

- 19 1. Nonresident Seller or Manufacturer License..... \$2,500.00
20 2. Wine and Spirits Wholesaler License..... \$2,500.00
21 3. Beer Distributor..... \$1,000.00
22 4. Retail Spirits License for cities and towns
23 over 5,000 population..... \$250.00
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5. Retail Spirits License for cities and towns
from 2,501 to 5,000 population..... \$200.00
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. Complimentary Beverage License..... \$25.00

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.

H. Any license issued by the ABLE Commission under this title may be relied upon by other licensees as a valid license, and no other licensee shall have any obligation to independently determine the validity of such license or be held liable solely as a

1 consequence of another licensee's failure to maintain a valid
2 license.

3 SECTION 3. This act shall become effective July 1, 2019.

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

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9 COMMITTEE REPORT BY: COMMITTEE ON TOURISM, dated 04/04/2019 - DO
10 PASS.