

1 **SENATE FLOOR VERSION**

February 27, 2020

2 **AS AMENDED**

3 SENATE BILL NO. 1725

By: Coleman

4
5
6 **[alcoholic beverages - business interests and acts**
7 **prohibited for manufacturers - effective date]**
8

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

10 SECTION 1. AMENDATORY Section 89, Chapter 366, O.S.L.
11 2016, as last amended by Section 1, Chapter 431, O.S.L. 2019 (37A
12 O.S. Supp. 2019, Section 3-119), is amended to read as follows:

13 Section 3-119. A. It shall be unlawful for any manufacturer,
14 brewer, wine and spirits wholesaler, beer distributor or person
15 authorized to sell alcoholic beverages to a wholesaler, or any
16 employee, officer, director, stockholder owning fifteen percent
17 (15%) or more of the stock, any type of partner, manager, member or
18 agent thereof, to directly or indirectly:

19 1. Have any financial interest in any premises upon which any
20 alcoholic beverage is sold at retail or in any business connected
21 with the retailing of alcoholic beverages; provided, nothing in this
22 act shall prohibit the operation of a mixed beverage licensee, beer
23 and wine licensee or caterer licensee by an entity which has common
24

1 owners with the holder of a small brewer license or a brewpub
2 license;

3 2. Lend any money or other thing of value, or to make any gift
4 or offer any gratuity, to any package store, retail wine, retail
5 beer, mixed beverage, beer and wine, public event or bottle club
6 licensee or caterer;

7 3. Guarantee any loan or the repayment of any financial
8 obligation of any retailer, mixed beverage, beer and wine, public
9 event or bottle club licensee or caterer;

10 4. Require any wine and spirits wholesaler, beer distributor,
11 retailer, mixed beverage, on-premises beer and wine licensee, public
12 event or caterer to purchase and dispose of any quota of alcoholic
13 beverages, or to require any retailer to purchase any kind, type,
14 size, container or brand of alcoholic beverages in order to obtain
15 any other kind, type, size, container or brand of alcoholic
16 beverages;

17 5. Sell to any retailer, mixed beverage, on-premises beer and
18 wine licensee, public event or caterer any alcoholic beverage on
19 consignment, or upon condition, or with the privilege of return, or
20 on any condition other than a bona fide sale; provided, the
21 following shall not be considered a violation of this paragraph:

22 a. delivery in good faith, through mistake, inadvertence
23 or oversight, of an alcoholic beverage that was not
24 ordered by a retailer, mixed beverage licensee, on-

1 premises beer and wine licensee, caterer, public event
2 or special event licensee to such licensee,

3 b. replacement of product breakage that occurred while
4 the alcoholic beverages were in transit from the
5 wholesaler to the licensee, or

6 c. replacement of cork-tainted wine that makes the
7 product unsaleable as long as the licensee notifies
8 the wine and spirits wholesaler of the defect in
9 writing within ninety (90) days after delivery of the
10 product; or

11 6. Extend credit to any retailer, other than holders of Federal
12 Liquor Stamps on United States government reservations and
13 installations, mixed beverage, public event or on-premises beer and
14 wine licensee or caterer, other than a state lodge located in a
15 county which has approved the retail sale of alcoholic beverages by
16 the individual drink for on-premises consumption. The acceptance of
17 a postdated check or draft or the failure to deposit for collection
18 a current check or draft by the second banking day after receipt
19 shall be deemed an extension of credit. Violation of this section
20 shall be grounds for suspension of the license.

21 B. Provided, however, any manufacturer owning more than fifteen
22 percent (15%) of the stock shall be authorized to have financial
23 interest in a premises upon which alcoholic beverages are sold;
24

1 provided, such retailer does not sell any product resulting from
2 their manufacturing operation.

3 SECTION 2. This act shall become effective November 1, 2020.

4 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
5 February 27, 2020 - DO PASS AS AMENDED

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24