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February 14, 2019

By: Bice

An Act relating to beer breweries; amending Section 14, Chapter 366, O.S.L. 2016, as last amended by Section 1, Chapter 315, O.S.L. 2018 (37A O.S. Supp. 2018, Section 2-102), which relates to brewer license; limiting service area; defining term; updating statutory reference; and providing an effective date.

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

SECTION 1. AMENDATORY Section 14, Chapter 366, O.S.L. 2016, as last amended by Section 1, Chapter 315, O.S.L. 2018 (37A O.S. Supp. 2018, Section 2-102), is amended to read as follows:

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

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

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

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

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

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

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

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

9 5. To sell beer at public events such as trade shows or
10 festivals;

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

13 7. To sell, offer for sale and possess wine for on-premises
14 consumption.

15 C. Nothing in ~~this act~~ the Oklahoma Alcoholic Beverage Control
16 Act shall prohibit the holder of a small brewer license from also
17 holding or owning an interest in the holder of a brewpub license.

18 D. For purposes of this section, no visitor may sample more
19 than a total of twelve (12) fluid ounces of beer per day. The
20 brewer must restrict the distribution ~~and consumption~~ of beer
21 ~~samples to an~~ the serving area within the licensed premises
22 ~~designated by the brewer~~ as defined in this subsection. A current
23 floor plan that includes the designated ~~sampling~~ serving area must
24 be on file with the ABLE Commission. No visitor under twenty-one

1 (21) years of age shall be permitted to enter this designated
2 ~~sampling~~ serving area ~~when samples are being distributed or~~
3 ~~consumed~~. Samples of beer served by a brewery under this section
4 shall not be considered a sale of beer within the meaning of Article
5 XXVIII A of the Oklahoma Constitution or Section 1-103 of this title;
6 however, such samples of beer shall be considered beer removed or
7 withdrawn from the brewery for use or consumption within the meaning
8 of Section 5-110 of this title for excise tax determination and
9 reporting requirements. Sales and sampling may only occur between
10 the hours of 10:00 a.m. and 2:00 a.m. For purposes of this
11 subsection, "serving area" means the area of the bar where drinks
12 are sold, prepared and served to paying customers and shall not
13 include other areas of the brewery where customers consume purchased
14 products.

15 E. A small brewer self-distribution license shall authorize
16 holders of a small brewer license to distribute beer produced only
17 by such licensee to a holder of a retail beer license, retail
18 spirits license, mixed beverage license, beer and wine license,
19 caterer's license, special event license, public event license,
20 charitable auction license or brewpub license. A small brewer shall
21 elect whether it will distribute through a distributor or self-
22 distribute in a subject territory; however, a small brewer may not
23 elect to do both simultaneously in a subject territory. The
24 election shall be made through notice to the ABLE Commission. Any

1 changes to the election shall require immediate notification to the
2 ABLE Commission before the change in election will take effect. A
3 small brewer that elects to self-distribute in multiple territories
4 shall only be required to have one small brewer self-distribution
5 license.

6 SECTION 2. This act shall become effective November 1, 2019.

7 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
8 February 14, 2019 - DO PASS
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