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CORRECTED

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1725

By: Coleman

AS INTRODUCED

An Act relating to alcoholic beverages; amending Section 89, Chapter 366, O.S.L. 2016, as last amended by Section 1, Chapter 431, O.S.L. 2019 (37A O.S. Supp. 2019, Section 3-119), which relates to business interests and acts prohibited for manufacturers; providing certain exception; and providing an effective date.

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

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

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

1 1. Have any financial interest in any premises upon which any
2 alcoholic beverage is sold at retail or in any business connected
3 with the retailing of alcoholic beverages; provided, nothing in this
4 act shall prohibit the operation of a mixed beverage licensee, beer
5 and wine licensee or caterer licensee by an entity which has common
6 owners with the holder of a small brewer license or a brewpub
7 license;

8 2. Lend any money or other thing of value, or to make any gift
9 or offer any gratuity, to any package store, retail wine, retail
10 beer, mixed beverage, beer and wine, public event or bottle club
11 licensee or caterer;

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

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

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

- 3 a. delivery in good faith, through mistake, inadvertence
4 or oversight, of an alcoholic beverage that was not
5 ordered by a retailer, mixed beverage licensee, on-
6 premises beer and wine licensee, caterer, public event
7 or special event licensee to such licensee,
- 8 b. replacement of product breakage that occurred while
9 the alcoholic beverages were in transit from the
10 wholesaler to the licensee, or
- 11 c. replacement of cork-tainted wine that makes the
12 product unsaleable as long as the licensee notifies
13 the wine and spirits wholesaler of the defect in
14 writing within ninety (90) days after delivery of the
15 product; or

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

3 B. Provided, however, any manufacturer owning more than fifteen
4 percent (15%) of the stock shall be authorized to have financial
5 interest in a premises upon which alcoholic beverages are sold;
6 provided, such retailer does not sell any product resulting from
7 their manufacturing operation.

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

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