

05/24/2023 06:51:49 PM

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB1715**

By: Marti of the House and Coleman of the Senate

Title: Alcoholic beverages; beer distribution; termination of agreement; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendments; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

HB1715 CCR (D)  
**HOUSE CONFEREES**

Dollens, Mickey

Fetgatter, Scott

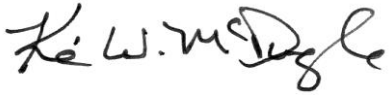
Hays, Neil



Marti, T.J.



McDugle, Kevin



Nichols, Monroe

Roberts, Eric



HB1715 CCR D

**SENATE CONFEREES**

Coleman

Thompson  
(Kristen)


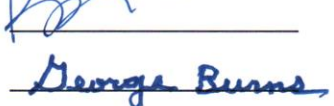


Burns

Jett

Pugh

Weaver

Brooks

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_



STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

CONFERENCE COMMITTEE  
SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 1715

By: Marti of the House

and

Coleman of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to alcoholic beverages; authorizing the ABLE Commission to permit certain license holders to host off-site events following application; providing details of application; allowing Commission to assess fee; updating statutory language and reference; amending 37A O.S. 2021, Section 1-103, which relates to definitions for the Oklahoma Alcoholic Beverage Control Act; modifying the definition of beer; defining seltzer; updating statutory reference; amending 37A O.S. 2021, amending 37A O.S. 2021, Section 2-101, which relates to license fees; modifying fees for certain license holders based on production; amending 37A O.S. 2021, Section 2-102, as amended by Section 1, Chapter 396, O.S.L. 2021, which relate to brewer licenses; requiring licensees to sell only the products covered by licenses; providing for off-site events; amending 37A O.S. 2021, Section 2-103, which relates to a distiller license; modifying where a distiller may sell spirits produced by the license holder; providing that consumers after final sale may add non-alcoholic substances to the spirits; providing that non-alcoholic substances are not part of the distilling process; amending 37A O.S. 2021, Section 2-131, which relates to small farm winery licenses; allowing certain purchases by small farm winery license holders; amending 37A O.S. 2021, Section 3-

111, which relates to termination of distribution agreement; allowing certain individuals to purchase interest under certain conditions; expanding and clarifying when a brewer may immediately terminate a distributor agreement; providing for compensation for when a brewer terminates a distribution agreement and the brewer obtains a new distributor; providing that reimbursement of arbitration costs shall be awarded to the prevailing party; providing that if a distributor improperly terminated the damages may include the fair market value of the distribution rights; requiring agreements to be null and void in violation of certain provisions; updating statutory reference; amending 37A O.S. 2021, Section 6-102, as amended by Section 1, Chapter 300, O.S.L. 2022 (37A O.S. Supp. 2022, Section 6-102), which relates to licensee prohibited acts; allowing the delivery of up to six bottles or cans of beer at a time for on-premise consumption; repealing 37A O.S. 2021, Section 2-102, as amended by Section 1, Chapter 226, O.S.L. 2019, which relates to brewer license; providing for codification; and declaring an emergency.

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 2-162 of Title 37A, unless there is created a duplication in numbering, reads as follows:

A. A brewer, small brewer, or small farm winery licensee shall be authorized to host an off-site event following the submission and approval of an application to the ABLE Commission. The licensee shall only be authorized to sell for consumption at the off-site event alcoholic beverages authorized for sale under the licensee's respective license. The licensee shall be limited to hosting four (4) off-site events per year.

1 B. The application shall include, but not be limited to, the  
2 location of the off-site event with a designated area within the  
3 location designed to provide an exclusive space which may be limited  
4 to the public and a designated point of access for a patron or  
5 patrons specifically granted access to ensure that persons present  
6 in the designated area are above twenty-one (21) years of age. The  
7 Commission may prescribe a filing fee for each off-site event  
8 application not to exceed Twenty-five Dollars (\$25.00).

9 C. The ABLE Commission shall promulgate rules necessary for the  
10 implementation of this section.

11 SECTION 2. AMENDATORY 37A O.S. 2021, Section 1-103, is  
12 amended to read as follows:

13 Section 1-103. As used in the Oklahoma Alcoholic Beverage  
14 Control Act:

15 1. "ABLE Commission" or "Commission" means the Alcoholic  
16 Beverage Laws Enforcement Commission;

17 2. "Alcohol" means and includes hydrated oxide of ethyl, ethyl  
18 alcohol, ethanol or spirits of wine, from whatever source or by  
19 whatever process produced. It does not include wood alcohol or  
20 alcohol which has been denatured or produced as denatured in  
21 accordance with Acts of Congress and regulations promulgated  
22 thereunder;

23 3. "Alcoholic beverage" means alcohol, spirits, beer and wine  
24 as those terms are defined herein and also includes every liquid or

1 solid, patented or not, containing alcohol, spirits, wine or beer  
2 and capable of being consumed as a beverage by human beings;

3 4. "Applicant" means any individual, legal or commercial  
4 business entity, or any individual involved in any legal or  
5 commercial business entity allowed to hold any license issued in  
6 accordance with the Oklahoma Alcoholic Beverage Control Act;

7 5. "Beer" means any beverage containing more than one-half of  
8 one percent (0.50%) of alcohol by volume and obtained by the  
9 alcoholic fermentation of an infusion or decoction of barley, or  
10 other grain, sugar, malt or similar products. For the purposes of  
11 taxation, distribution, sales, and regulation, seltzer shall mean  
12 the same as beer as provided in this section. ~~"Beer"~~ Beer may or  
13 may not contain hops or other vegetable products. ~~"Beer"~~ Beer  
14 includes, among other things, beer, ale, stout, lager beer, porter,  
15 seltzer, and other malt or brewed liquors, but does not include  
16 sake, known as Japanese rice wine;

17 6. "Beer keg" means any brewer-sealed, single container that  
18 contains not less than four (4) gallons of beer;

19 7. "Beer distributor" means and includes any person licensed to  
20 distribute beer for retail sale in the state, but does not include a  
21 holder of a small brewer self-distribution license or brewpub self-  
22 distribution license. The term ~~"distributor"~~ distributor, as used  
23 in the Oklahoma Alcoholic Beverage Control Act, shall be construed  
24 to refer to a beer distributor;



1        8. "Bottle club" means any establishment in a county which has  
2 not authorized the retail sale of alcoholic beverages by the  
3 individual drink, which is required to be licensed to keep, mix and  
4 serve alcoholic beverages belonging to club members on club  
5 premises;

6        9. "Bottle service" means the sale and provision of spirits in  
7 their original packages by a mixed beverage licensee to be consumed  
8 in that mixed beverage licensee's club suite;

9        10. "Brand" means any word, name, group of letters, symbol or  
10 combination thereof, that is adopted and used by a licensed brewer  
11 to identify a specific beer, wine or spirit and to distinguish that  
12 product from another beer, wine or spirit;

13        11. "Brand extension" means:

14            a. after October 1, 2018, any brand of beer or cider  
15 introduced by a manufacturer in this state which  
16 either:

17                (1) incorporates all or a substantial part of the  
18 unique features of a preexisting brand of the  
19 same licensed brewer, or

20                (2) relies to a significant extent on the goodwill  
21 associated with the preexisting brand, or

22            b. any brand of beer that a brewer, the majority of whose  
23 total volume of all brands of beer distributed in this  
24 state by such brewer on January 1, 2016, was

1 distributed as low-point beer, desires to sell,  
2 introduces, begins selling or theretofore has sold and  
3 desires to continue selling a strong beer in this  
4 state which either:

- 5 (1) incorporates or incorporated all or a substantial  
6 part of the unique features of a preexisting low-  
7 point beer brand of the same licensed brewer, or  
8 (2) relies or relied to a significant extent on the  
9 goodwill associated with a preexisting low-point  
10 beer brand;

11 12. "Brewer" means and includes any person who manufactures for  
12 human consumption by the use of raw materials or other ingredients  
13 any beer or cider upon which a license fee and a tax are imposed by  
14 any law of this state;

15 13. "Brewpub" means a licensed establishment operated on the  
16 premises of, or on premises located contiguous to, a small brewer,  
17 that prepares and serves food and beverages, including alcoholic  
18 beverages, for on-premises consumption;

19 14. "Cider" means any alcoholic beverage obtained by the  
20 alcoholic fermentation of fruit juice, including but not limited to  
21 flavored, sparkling or carbonated cider. For the purposes of the  
22 manufacture of this product, cider may be manufactured by either  
23 manufacturers or brewers. For the purposes of the distribution of  
24

1 this product, cider may be distributed by either wine and spirits  
2 wholesalers or beer distributors;

3 15. "Club suite" means a designated area within the premises of  
4 a mixed beverage licensee designed to provide an exclusive space  
5 which is limited to a patron or patrons specifically granted access  
6 by a mixed beverage licensee and is not accessible to other patrons  
7 of the mixed beverage licensee or the public. A club suite must  
8 have a clearly designated point of access for a patron or patrons  
9 specifically granted access by the mixed beverage licensee to ensure  
10 that persons present in the suite are limited to patrons  
11 specifically granted access by the mixed beverage licensee and  
12 employees providing services to the club suite;

13 16. "Convenience store" means any person primarily engaged in  
14 retailing a limited range of general household items and groceries,  
15 with extended hours of operation, whether or not engaged in retail  
16 sales of automotive fuels in combination with such sales;

17 17. "Convicted" and "conviction" mean and include a finding of  
18 guilt resulting from a plea of guilty or nolo contendere, the  
19 decision of a court or magistrate or the verdict of a jury,  
20 irrespective of the pronouncement of judgment or the suspension  
21 thereof;

22 18. "Designated products" means the brands of wine or spirits  
23 offered for sale by a manufacturer that the manufacturer has  
24 assigned to a designated wholesaler for exclusive distribution;

1        19. "Designated wholesaler" means a wine and spirits wholesaler  
2 who has been selected by a manufacturer as a wholesaler appointed to  
3 distribute designated products;

4        20. "Director" means the Director of the ABLE Commission;

5        21. "Distiller" means any person who produces spirits from any  
6 source or substance, or any person who brews or makes mash, wort or  
7 wash, fit for distillation or for the production of spirits (except  
8 a person making or using such material in the authorized production  
9 of wine or beer, or the production of vinegar by fermentation), or  
10 any person who by any process separates alcoholic spirits from any  
11 fermented substance, or any person who, making or keeping mash, wort  
12 or wash, has also in his or her possession or use a still;

13       22. "Distributor agreement" means the written agreement between  
14 the distributor and brewer as set forth in Section 3-108 of this  
15 title;

16       23. "Drug store" means a person primarily engaged in retailing  
17 prescription and nonprescription drugs and medicines;

18       24. "Dual-strength beer" means a brand of beer that,  
19 immediately prior to April 15, 2017, was being sold and distributed  
20 in this state:

- 21           a.    as a low-point beer pursuant to the Low-Point Beer  
22                  Distribution Act in effect immediately prior to  
23                  October 1, 2018, and  
24

b. as strong beer pursuant to the Alcoholic Beverage Control Act in effect immediately prior to October 1, 2018,

and continues to be sold and distributed as such on October 1, 2018. Dual-strength beer does not include a brand of beer that arose as a result of a brand extension as defined in this section;

25. "Fair market value" means the value in the subject territory covered by the written agreement with the distributor or wholesaler that would be determined in an arm's length transaction entered into without duress or threat of termination of the distributor's or wholesaler's rights and shall include all elements of value, including goodwill and going-concern value;

26. "Good cause" means:

a. failure by the distributor to comply with the material and reasonable provisions of a written agreement or understanding with the brewer, or

b. failure by the distributor to comply with the duty of good faith;

27. "Good faith" means the duty of each party to any distributor agreement and all officers, employees or agents thereof to act with honesty in fact and within reasonable standards of fair dealing in the trade;

28. "Grocery store" means a person primarily engaged in retailing a general line of food, such as canned or frozen foods,

1 fresh fruits and vegetables, and fresh and prepared meats, fish and  
2 poultry;

3 29. "Hotel" or "motel" means an establishment which is licensed  
4 to sell alcoholic beverages by the individual drink and which  
5 contains guestroom accommodations with respect to which the  
6 predominant relationship existing between the occupants thereof and  
7 the owner or operator of the establishment is that of innkeeper and  
8 guest. For purposes of this section, the existence of other legal  
9 relationships as between some occupants and the owner or operator  
10 thereof shall be immaterial;

11 30. "Legal newspaper" means a newspaper meeting the requisites  
12 of a newspaper for publication of legal notices as prescribed in  
13 Sections 101 through 114 of Title 25 of the Oklahoma Statutes;

14 31. "Licensee" means any person holding a license under the  
15 Oklahoma Alcoholic Beverage Control Act, and any agent, servant or  
16 employee of such licensee while in the performance of any act or  
17 duty in connection with the licensed business or on the licensed  
18 premises;

19 32. "Low-point beer" shall mean any beverages containing more  
20 than one-half of one percent (1/2 of 1%) alcohol by volume, and not  
21 more than three and two-tenths percent (3.2%) alcohol by weight,  
22 including but not limited to, beer or cereal malt beverages obtained  
23 by the alcoholic fermentation of an infusion by barley or other  
24 grain, malt or similar products;

1        33. "Manufacturer" means a distiller, winemaker, rectifier or  
2        bottler of any alcoholic beverage (other than beer) and its  
3        subsidiaries, affiliates and parent companies;

4        34. "Manufacturer's agent" means a salaried or commissioned  
5        salesperson who is the agent authorized to act on behalf of the  
6        manufacturer or nonresident seller in the state;

7        35. "Meals" means foods commonly ordered at lunch or dinner and  
8        at least part of which is cooked on the licensed premises and  
9        requires the use of dining implements for consumption. Provided,  
10       that the service of only food such as appetizers, sandwiches, salads  
11       or desserts shall not be considered ~~"meals"~~ meals;

12       36. "Mini-bar" means a closed container, either refrigerated in  
13       whole or in part, or nonrefrigerated, and access to the interior of  
14       which is:

- 15           a.    restricted by means of a locking device which requires  
16                  the use of a key, magnetic card or similar device, or  
17           b.    controlled at all times by the licensee;

18       37. "Mixed beverage cooler" means any beverage, by whatever  
19       name designated, consisting of an alcoholic beverage and fruit or  
20       vegetable juice, fruit or vegetable flavorings, dairy products or  
21       carbonated water containing more than one-half of one percent (1/2  
22       of 1%) of alcohol measured by volume but not more than seven percent  
23       (7%) alcohol by volume at sixty (60) degrees Fahrenheit and which is  
24       packaged in a container not larger than three hundred seventy-five

1 (375) milliliters. Such term shall include but not be limited to  
2 the beverage popularly known as a "wine cooler";

3 38. "Mixed beverages" means one or more servings of a beverage  
4 composed in whole or part of an alcoholic beverage in a sealed or  
5 unsealed container of any legal size for consumption on the premises  
6 where served or sold by the holder of a mixed beverage, beer and  
7 wine, caterer, public event, charitable event or special event  
8 license;

9 39. "Motion picture theater" means an establishment which is  
10 licensed by Section 2-110 of this title to sell alcoholic beverages  
11 by the individual drink and where motion pictures are exhibited, and  
12 to which the general public is admitted;

13 40. "Nondesignated products" means the brands of wine or  
14 spirits offered for sale by a manufacturer that have not been  
15 assigned to a designated wholesaler;

16 41. "Nonresident seller" means any person licensed pursuant to  
17 Section 2-135 of this title;

18 42. "Retail salesperson" means a salesperson soliciting orders  
19 from and calling upon retail alcoholic beverage stores with regard  
20 to his or her product;

21 43. "Occupation" as used in connection with "occupation tax"  
22 means the sites occupied as the places of business of the  
23 manufacturers, brewers, wholesalers, beer distributors, retailers,  
24



1 mixed beverage licensees, on-premises beer and wine licensees,  
2 bottle clubs, caterers, public event and special event licensees;

3 44. "Original package" means any container of alcoholic  
4 beverage filled and stamped or sealed by the manufacturer or brewer;

5 45. "Package store" means any sole proprietor or partnership  
6 that qualifies to sell wine, beer and/or spirits for off-premises  
7 consumption and that is not a grocery store, convenience store or  
8 drug store, or other retail outlet that is not permitted to sell  
9 wine or beer for off-premises consumption;

10 46. "Patron" means any person, customer or visitor who is not  
11 employed by a licensee or who is not a licensee;

12 47. "Person" means an individual, any type of partnership,  
13 corporation, association, limited liability company or any  
14 individual involved in the legal structure of any such business  
15 entity;

16 48. "Premises" means the grounds and all buildings and  
17 appurtenances pertaining to the grounds including any adjacent  
18 premises if under the direct or indirect control of the licensee and  
19 the rooms and equipment under the control of the licensee and used  
20 in connection with or in furtherance of the business covered by a  
21 license. Provided that the ABLE Commission shall have the authority  
22 to designate areas to be excluded from the licensed premises solely  
23 for the purpose of:  
24

- a. allowing the presence and consumption of alcoholic beverages by private parties which are closed to the general public, or
- b. allowing the services of a caterer serving alcoholic beverages provided by a private party.

This exception shall in no way limit the licensee's concurrent responsibility for any violations of the Oklahoma Alcoholic Beverage Control Act occurring on the licensed premises;

49. "Private event" means a social gathering or event attended by invited guests who share a common cause, membership, business or task and have a prior established relationship. For purposes of this definition, advertisement for general public attendance or sales of tickets to the general public shall not constitute a private event;

50. "Public event" means any event that can be attended by the general public;

51. "Rectifier" means any person who rectifies, purifies or refines spirits or wines by any process (other than by original and continuous distillation, or original and continuous processing, from mash, wort, wash or other substance, through continuous closed vessels and pipes, until the production thereof is complete), and any person who, without rectifying, purifying or refining spirits, shall by mixing (except for immediate consumption on the premises where mixed) such spirits, wine or other liquor with any material,

1 manufactures any spurious, imitation or compound liquors for sale,  
2 under the name of whiskey, brandy, rum, gin, wine, spirits, cordials  
3 or any other name;

4 52. "Regulation" or "rule" means a formal rule of general  
5 application promulgated by the ABLE Commission as herein required;

6 53. "Restaurant" means an establishment that is licensed to  
7 sell alcoholic beverages by the individual drink for on-premises  
8 consumption and where food is prepared and sold for immediate  
9 consumption on the premises;

10 54. "Retail container for spirits and wines" means an original  
11 package of any capacity approved by the United States Bureau of  
12 Alcohol, Tobacco ~~and~~, Firearms and Explosives;

13 55. "Retailer" means a package store, grocery store,  
14 convenience store or drug store licensed to sell alcoholic beverages  
15 for off-premises consumption pursuant to a Retail Spirits License,  
16 Retail Wine License or Retail Beer License;

17 56. "Sale" means any transfer, exchange or barter in any manner  
18 or by any means whatsoever, and includes and means all sales made by  
19 any person, whether as principal, proprietor or as an agent, servant  
20 or employee. The term ~~"sale"~~ sale is also declared to be and  
21 include the use or consumption in this state of any alcoholic  
22 beverage obtained within or imported from without this state, upon  
23 which the excise tax levied by the Oklahoma Alcoholic Beverage  
24 Control Act has not been paid or exempted;

1        57. "Seltzer" means any beverage containing more than one-half  
2 of one percent (0.50%) of alcohol by volume and obtained by the  
3 alcoholic fermentation of malt, rice, grain of any kind, bran,  
4 glucose, sugar, or molasses and combined with carbonated water and  
5 other flavoring and labeled as "beer" by the Internal Revenue Code;  
6 provided, that seltzer shall not include carbonated beverages mixed  
7 with wine or spirits;

8        58. "Short-order food" means food other than full meals  
9 including but not limited to sandwiches, soups and salads. Provided  
10 that popcorn, chips and other similar snack food shall not be  
11 considered ~~"short-order food"~~ short-order food;

12        ~~58.~~ 59. "Small brewer" means a brewer who manufactures less  
13 than sixty-five thousand barrels of beer annually pursuant to a  
14 validly issued Small Brewer License hereunder;

15        ~~59.~~ 60. "Small farm wine" means a wine that is produced by a  
16 small farm winery with seventy-five percent (75%) or more Oklahoma-  
17 grown grapes, berries, other fruits, honey or vegetables;

18        ~~60.~~ 61. "Small farm winery" means a wine-making establishment  
19 that does not annually produce for sale more than fifteen thousand  
20 (15,000) gallons of wine as reported on the United States Department  
21 of the Treasury, Alcohol and Tobacco Tax and Trade Bureau, Report of  
22 Wine Premises Operations (TTB Form 5120.17);

23        ~~61.~~ 62. "Sparkling wine" means champagne or any artificially  
24 carbonated wine;

1       ~~62.~~ 63. "Special event" means an entertainment, recreation or  
2 marketing event that occurs at a single location on an irregular  
3 basis and at which alcoholic beverages are sold;

4       ~~63.~~ 64. "Spirits" means any beverage other than wine or beer,  
5 which contains more than one-half of one percent (1/2 of 1%) alcohol  
6 measured by volume, and obtained by distillation, whether or not  
7 mixed with other substances in solution and includes those products  
8 known as whiskey, brandy, rum, gin, vodka, liqueurs, cordials and  
9 fortified wines and similar compounds, but shall not include any  
10 alcohol liquid completely denatured in accordance with the Acts of  
11 Congress and regulations pursuant thereto;

12       ~~64.~~ 65. "Strong beer" means beer which, prior to October 1,  
13 2018, was distributed pursuant to the Oklahoma Alcoholic Beverage  
14 Control Act, Section ~~501~~ 1-101 et seq. of ~~Title 37 of the Oklahoma~~  
15 ~~Statutes~~ this title;

16       ~~65.~~ 66. "Successor brewer" means a primary source of supply, a  
17 brewer, a cider manufacturer or an importer that acquires rights to  
18 a beer or cider brand from a predecessor brewer;

19       ~~66.~~ 67. "Tax Commission" means the Oklahoma Tax Commission;

20       ~~67.~~ 68. "Territory" means a geographic region with a specified  
21 boundary;

22       ~~68.~~ 69. "Wine and spirits wholesaler" or "wine and spirits  
23 distributor" means and includes any sole proprietorship or  
24 partnership licensed to distribute wine and spirits in the state.

1 The term "wholesaler", as used in the Oklahoma Alcoholic Beverage  
2 Control Act, shall be construed to refer to a wine and spirits  
3 wholesaler;

4 ~~69.~~ 70. "Wine" means and includes any beverage containing more  
5 than one-half of one percent (1/2 of 1%) alcohol by volume and not  
6 more than twenty-four percent (24%) alcohol by volume at sixty (60)  
7 degrees Fahrenheit obtained by the fermentation of the natural  
8 contents of fruits, vegetables, honey, milk or other products  
9 containing sugar, whether or not other ingredients are added, and  
10 includes vermouth and sake, known as Japanese rice wine;

11 ~~70.~~ 71. "Winemaker" means and includes any person or  
12 establishment who manufactures for human consumption any wine upon  
13 which a license fee and a tax are imposed by any law of this state;  
14 and

15 ~~71.~~ 72. "Satellite tasting room" means a licensed establishment  
16 operated off the licensed premises of the holder of a small farm  
17 winery or winemaker license, which serves wine for on-premises or  
18 off-premises consumption.

19 Words in the plural include the singular, and vice versa, and  
20 words imparting the masculine gender include the feminine, as well  
21 as persons and licensees as defined in this section.

22 SECTION 3. AMENDATORY 37A O.S. 2021, Section 2-101, is  
23 amended to read as follows:  
24

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
------------------------	------------

2.	Small Brewer License.....	\$125.00
----	---------------------------	----------

3. Distiller License.....	\$3,125.00
---------------------------	------------

4. Winemaker License.....	\$625.00
---------------------------	----------

5. Small Farm Winery License.....	\$75.00
-----------------------------------	---------

6. Rectifier License.....	\$3,125.00
---------------------------	------------

7. Wine and Spirits Wholesaler License.....	\$3,000.00
---	------------

8. Beer Distributor License.....	\$750.00
----------------------------------	----------

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

b. Retail Spirits License for cities and

towns from 2,501 to 5,000 population..... \$605.00

c. Retail Spirits License for cities and

towns over 5,000 population.....	\$905.00
----------------------------------	----------

10. Retail Wine License.....	\$1,000.00
------------------------------	------------

11.	Retail Beer License.....	\$500.00
-----	--------------------------	----------

12. Mixed Beverage License.....	\$1,005.00
---------------------------------	------------

```
(initial license)
```

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



1		\$905.00
2		(renewal)
3	21. Agent License.....	\$55.00
4	22. Employee License.....	\$30.00
5	23. Industrial License.....	\$23.00
6	24. Carrier License.....	\$23.00
7	25. Private Carrier License.....	\$23.00
8	26. Bonded Warehouse License.....	\$190.00
9	27. Storage License.....	\$23.00
10	28. Nonresident Seller License .....	\$750.00
11	29. Manufacturer License:	
12	a. 50 cases or less sold in Oklahoma in	
13	last calendar year.....	\$50.00
14	b. 51 to 500 cases sold in Oklahoma in	
15	last calendar year.....	\$75.00
16	c. 501 cases or more sold in Oklahoma in	
17	last calendar year.....	\$150.00
18	30. Manufacturer's Agent License.....	\$55.00
19	31. Sacramental Wine Supplier License.....	\$100.00
20	32. Charitable Auction License.....	\$1.00
21	33. Charitable Alcoholic Beverage License.....	\$55.00
22	34. Winemaker Self-Distribution License:	
23	<u>a. produced ten thousand (10,000) gallons</u>	
24	<u>or less in last calendar year.....</u>	<u>\$350.00</u>

b. produced more than ten thousand  
(10,000) gallons but no more than  
fifteen thousand (15,000) gallons in  
last calendar year..... \$750.00

35. Annual Public Event License..... \$1,005.00

36. One-Time Public Event License..... \$255.00

37. Small Brewer Self-Distribution License:

a. produced fifteen thousand (15,000)  
barrels or less in last calendar year..... \$350.00

b. produced more than fifteen thousand  
(15,000) barrels in last calendar year..... \$750.00

38. Brewpub License..... \$1,005.00

39. Brewpub Self-Distribution License..... \$750.00

40. Complimentary Beverage License..... \$75.00

41. Satellite Tasting Room License..... \$100.00

B. 1. There shall be added to the initial or renewal fees for  
a ~~Mixed Beverage License~~ 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 manner as the license fees prescribed by paragraph  
12 of subsection A of this section; provided, this fee shall not be  
assessed against service organizations or fraternal beneficiary  
societies which are exempt under Section 501(c)(19), (8) or (10) of  
the Internal Revenue Code.

1        2. There shall be added to the fee for a ~~Mixed Beverage/Caterer~~  
2 ~~Combination License~~ mixed beverage/caterer combination license an  
3 administrative fee, which shall not be deemed to be a license fee,  
4 in the amount of Two Hundred Fifty Dollars (\$250.00), which shall be  
5 paid at the same time and in the same manner as the license fee  
6 prescribed by paragraph 13 of subsection A of this section.

7        C. Notwithstanding the provisions of subsection A of this  
8 section:

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

14        2. The renewal fee for an airline/railroad/commercial passenger  
15 vessel beverage license held by a railroad described in 49 U.S.C.,  
16 Section 24301, shall be One Hundred Dollars (\$100.00).

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

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

23        F. The holder of a license, issued by the ABLE Commission, for  
24 a bottle club located in a county of this state where the sale of

1 alcoholic beverages by the individual drink for on-premises  
2 consumption has been authorized, may exchange the bottle club  
3 license for a mixed beverage license or an on-premises beer and wine  
4 license and operate the licensed premises as a mixed beverage  
5 establishment or an on-premises beer and wine establishment subject  
6 to the provisions of the Oklahoma Alcoholic Beverage Control Act.  
7 There shall be no additional fee for such exchange and the mixed  
8 beverage license or on-premises beer and wine license issued shall  
9 expire one (1) year from the date of issuance of the original bottle  
10 club license.

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

- 13 1. Nonresident Seller License..... \$2,500.00
- 14 2. Manufacturer License:
  - 15 a. 50 cases or less sold in Oklahoma in  
16 last calendar year..... \$100.00
  - 17 b. 51 to 500 cases sold in Oklahoma in  
18 last calendar year..... \$225.00
  - 19 c. 501 cases or more sold in Oklahoma in  
20 last calendar year..... \$450.00
- 21 3. Wine and Spirits Wholesaler License..... \$2,500.00
- 22 4. Beer Distributor..... \$1,000.00
- 23 5. Retail Spirits License for cities and towns  
24 over 5,000 population..... \$250.00

- 1       6.   Retail Spirits License for cities and towns  
2             from 2,501 to 5,000 population..... \$200.00  
3       7.   Retail Spirits License for cities and towns  
4             from 200 to 2,500 population..... \$150.00  
5       8.   Retail Wine License..... \$250.00  
6       9.   Retail Beer License..... \$250.00  
7       10.   Mixed Beverage License..... \$25.00  
8       11.   Mixed Beverage/Caterer Combination License..... \$25.00  
9       12.   Caterer License..... \$25.00  
10       13.   On-Premises Beer and Wine License..... \$25.00  
11       14.   Annual Public Event License..... \$25.00  
12       15.   Small Farm Winery License..... \$25.00  
13       16.   Small Brewer License..... \$35.00  
14       17.   Complimentary Beverage License..... \$25.00

15       The surcharge shall be paid concurrent with the licensee's  
16   annual licensing fee and, in addition to Five Dollars (\$5.00) of the  
17   employee license fee, shall be deposited in the Alcoholic Beverage  
18   Governance Revolving Fund established pursuant to Section 5-128 of  
19   this title.

20       H.   Any license issued by the ABLE Commission under this title  
21   may be relied upon by other licensees as a valid license, and no  
22   other licensee shall have any obligation to independently determine  
23   the validity of such license or be held liable solely as a  
24

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

3 SECTION 4. AMENDATORY 37A O.S. 2021, Section 2-102, as  
4 amended by Section 1, Chapter 396, O.S.L. 2021, is amended to read  
5 as follows:

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

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

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

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

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

16 2. To sell beer and cider in this state to holders of beer  
17 distributor licenses and retail licenses or to sell beer and cider  
18 out of this state to qualified persons;

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

21 4. To sell beer and cider produced by the licensee for either  
22 on-premises or off-premises consumption to consumers on the brewery  
23 premises, or on premises located contiguous thereto;

1        5. To sell beer and cider at ~~public~~ events ~~such as~~ attended by  
2 the public including, but not limited to, trade shows ~~or,~~ festivals,  
3 farmers markets, boat shows, RV shows, home and garden shows, fairs,  
4 car shows, swap meets, city events, county events, or state events  
5 for either on-premises or off-premises consumption, regardless of  
6 whether such events are held at premises covered by a license to  
7 sell, serve, or store alcoholic beverages. A small brewer license  
8 holder shall not be required to secure or control the premises of an  
9 event attended by the public where the small brewer license holder  
10 sells beer or cider;

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        8. To host off-site events pursuant to Section 4 of this act;  
16 and

17        9. To purchase from licensed brewers, small brewers, and  
18 brewpubs in this state, and to import beer into this state for use  
19 in manufacturing in accordance with federal laws and regulations.

20        C. The holder of multiple small brewer licenses may sell beer  
21 and cider produced at up to three breweries for which the licensee  
22 has a license, at any other of such three licensed breweries or on  
23 premises located contiguous thereto.

1 D. Nothing in the Oklahoma Alcoholic Beverage Control Act shall  
2 prohibit the holder of a small brewer license from also holding or  
3 owning an interest in the holder of a brewpub license.

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



1 customers and shall not include other areas of the brewery where  
2 customers consume purchased products.

3 F. A small brewer self-distribution license shall authorize  
4 holders of a small brewer license to distribute beer and cider  
5 produced only by such licensee to a holder of a retail beer license,  
6 retail spirits license, mixed beverage license, beer and wine  
7 license, caterer's license, special event license, public event  
8 license, charitable auction license or brewpub license. A small  
9 brewer shall elect whether it will distribute through a distributor  
10 or self-distribute in a subject territory; however, a small brewer  
11 may not elect to do both simultaneously in a subject territory. The  
12 election shall be made through notice to the ABLE Commission. Any  
13 changes to the election shall require immediate notification to the  
14 ABLE Commission before the change in election will take effect. A  
15 small brewer that elects to self-distribute in multiple territories  
16 shall only be required to have one small brewer self-distribution  
17 license.

18 G. All manufacturer's licenses held by brewers during the first  
19 calendar year beginning October 1, 2018, shall automatically convert  
20 to brewer licenses and be deemed effective as of the date of the  
21 first issuance of the manufacturer's license. Upon the first  
22 renewal of the license, the brewer will need to obtain the  
23 appropriate brewer's license. If a brewer elects to market wine and  
24

1 spirits, the brewer will also be required to obtain a manufacturer's  
2 license and comply with the rules and regulations for both licenses.

3 SECTION 5. AMENDATORY 37A O.S. 2021, Section 2-103, is  
4 amended to read as follows:

5 Section 2-103. A. A distiller license shall authorize the  
6 holder thereof:

7 1. To manufacture, bottle, package and store spirits on  
8 licensed premises;

9 2. To sell spirits in this state to licensed wholesalers and  
10 manufacturers only;

11 3. To sell spirits out of this state to qualified persons; to  
12 purchase from licensed distillers and rectifiers in this state, and  
13 import spirits from without this state for manufacturing purposes in  
14 accordance with federal laws and regulations;

15 4. To serve free samples of spirits produced only by the  
16 licensee to visitors twenty-one (21) years of age and older. For  
17 purposes of this section, no visitor may sample more than a total of  
18 three (3) fluid ounces of spirits per day. The distiller shall  
19 restrict the distribution and consumption of spirits samples to an  
20 area within the licensed premises designated by the distiller. A  
21 current floor plan that includes the designated sampling area shall  
22 be on file with the ABLE Commission. No visitor under twenty-one  
23 (21) years of age shall be permitted to enter the designated  
24 sampling area when samples are being distributed and consumed.

1 Samples of spirits served by a distiller under this section shall  
2 not be considered a sale of spirits within the meaning of Article  
3 XXVIII-A of the Oklahoma Constitution or Section 1-103 of this  
4 title; provided, such samples of spirits shall be considered removed  
5 or withdrawn from the distillery for use or consumption within the  
6 meaning of Section 5-110 of this title for excise tax determination  
7 and reporting requirements;

8 5. To sell spirits produced by the licensee for either on-  
9 premises or off-premises consumption to consumers on the licensed  
10 distillery premises or in an area controlled by the licensee located  
11 contiguous to the licensed distillery premises and at one (1)  
12 location controlled by the licensee located in the same county as  
13 the licensed distillery premises but not contiguous to the licensed  
14 distillery premises. ~~Product~~ Spirits offered for sale by the  
15 Oklahoma licensed distiller will have been sold to and shipped to an  
16 Oklahoma licensed wine and spirits wholesaler and then made  
17 available for purchase by the Oklahoma licensed distiller for sale;  
18 and

19 6. To sell spirits at public events such as trade shows or  
20 festivals. Products offered for sale by the Oklahoma licensed  
21 distiller will have been sold to and shipped to an Oklahoma licensed  
22 wine and spirits wholesaler and then made available for purchase by  
23 the Oklahoma licensed distiller.  
24

1 B. Spirits sold pursuant to paragraphs 5 and 6 of subsection A  
2 of this section shall not exceed fifteen thousand (15,000) gallons  
3 per calendar year in combination.

4 C. Spirits sold pursuant to paragraphs 5 and 6 of subsection A  
5 of this section shall be a final sale. Licensed distillers may  
6 offer for sale non-alcoholic substances which may be added to  
7 spirits by the consumer after final sale. Substances used for on  
8 premise consumption shall be non-alcoholic in nature and shall not  
9 be considered part of the manufacturing process.

10 SECTION 6. AMENDATORY 37A O.S. 2021, Section 2-131, is  
11 amended to read as follows:

12 Section 2-131. A. A small farm winery license shall authorize  
13 the holder thereof:

14 1. To manufacture and bottle wines produced by that small farm  
15 winery;

16 2. To bottle and sell wines produced by another small farm  
17 winery. In order for a small farm winery to bottle and sell another  
18 small farm winery's products, both the selling winery and the buying  
19 winery shall be small farm winery permit holders;

20 3. To establish satellite tasting rooms as defined and  
21 authorized in ~~this act~~ the Oklahoma Alcoholic Beverage Control Act,  
22 where:

23 a. the winemaker's products may be tasted, sampled, sold,  
24 and served for on-premises consumption and the

1           winemaker is permitted to sell its products in sealed  
2           containers; provided, the small farm winery license is  
3           active and in good standing, or

4           b. beer purchased by the licensed small farm winery may  
5           be sold for on-premises consumption.

6           The wine sold at a satellite tasting room must have been  
7           produced/manufactured by the holder of a small farm winery license  
8           and must have all manufacturing taxes paid. The beer sold at a  
9           satellite tasting room shall be purchased pursuant to paragraph 6 of  
10          this subsection; and

11          4. The small farm winery licensee shall have the same authority  
12          as the winemaker licensee;

13          5. To host off-site events pursuant to Section 4 of this act;  
14          and

15          6. To purchase beer in retail containers from the holder of a  
16          wholesaler, beer distributor, small brewer self-distributor or  
17          brewpub self-distributor license or as specifically provided by law  
18          and to sell, offer for sale and possess beer for on-premises  
19          consumption.

20          B. A small farm wine may display the trademarked "Oklahoma  
21          Grown" sticker available from the Oklahoma Grape Industry Council.

22          SECTION 7.        AMENDATORY        37A O.S. 2021, Section 3-111, is  
23          amended to read as follows:

1       Section 3-111. A. Except as provided in subsection ~~F~~ G of this  
2 section, a small brewer is not subject to the termination provisions  
3 of this section.

4       B. 1. Except as provided in ~~subsections C, D and E~~ subsection  
5 C of this section, no brewer shall terminate a distributor agreement  
6 with any beer distributor without establishing good cause for such  
7 termination and unless all of the following occur:

8           ~~a. the brewer establishes good cause for such~~  
9           ~~termination,~~

10          ~~b.~~ the beer distributor receives written notification by  
11 certified mail, return receipt requested, from the  
12 brewer of the alleged noncompliance and is afforded no  
13 less than sixty (60) days in which to cure such  
14 noncompliance. If not capable of being cured within  
15 the sixty-day period, the beer distributor shall begin  
16 the cure within the sixty-day period and diligently  
17 pursue the cure as promptly as feasible,

18          ~~e.~~ b. the beer distributor fails to cure such noncompliance  
19 within the allotted cure period, and

20          ~~d.~~ c. the brewer provides written notice by certified mail,  
21 return receipt requested, to the beer distributor of  
22 such continued noncompliance. The notification shall  
23 contain a statement of the intention of the brewer to  
24 terminate the distributor agreement, the reasons for

1                   the termination and the date the termination shall  
2                   take effect.

3           2. If a beer distributor cures an alleged noncompliance within  
4 the cure period provided in subparagraph ~~b~~ a of paragraph 1 of this  
5 subsection, any notice of termination from a brewer to a beer  
6 distributor shall be null and void.

7           C. A brewer may immediately terminate a distributor agreement,  
8 effective upon furnishing written notification to the beer  
9 distributor by certified mail, return receipt requested, for any of  
10 the following reasons:

11           1. The beer distributor's failure to pay any account when due  
12 and upon written demand by the brewer for such payment, in  
13 accordance with agreed payment terms;

14           2. The assignment or attempted assignment by the beer  
15 distributor for the benefit of creditors, the institution of  
16 proceedings in bankruptcy by or against the beer distributor, the  
17 dissolution or liquidation of the beer distributor or the insolvency  
18 of the beer distributor;

19           3. The revocation or suspension of, or the failure to renew for  
20 a period of more than fourteen (14) days, a beer distributor's  
21 state, local or federal license or permit to sell beer in this  
22 state;

23           4. The beer distributor has been convicted of a felony that, in  
24 the brewer's sole judgment, adversely affects the goodwill of the

1 beer distributor or brewer; provided, however, an existing  
2 stockholder or stockholders, partner or partners, or member or  
3 members shall have the right to purchase the stock, partnership  
4 interest, or membership interest of the offending stockholder,  
5 partner, or member prior to the conviction of the offending  
6 stockholder, partner, or member, subject to brewer's approval, which  
7 shall not be unreasonably withheld, and if the sale is completed  
8 prior to conviction, the provisions of this paragraph shall not  
9 apply;

10 5. A beer distributor has been convicted of, found guilty of or  
11 pled guilty or nolo contendere to, a charge of violating a law or  
12 regulation of the United States or of this state if it materially  
13 and adversely affects the ability of the beer distributor or brewer  
14 to continue to sell its beer in this state;

15 6. Any attempted transfer or change in beneficial ownership of  
16 ~~ownership~~ ten percent (10%) or more of the beer distributor, stock  
17 of the beer distributor or stock of any parent corporation of the  
18 beer distributor, or any change in ~~the beneficial~~ the ownership or  
19 control of any entity having control of the beer distributor,  
20 without obtaining the prior written approval of the brewer, which  
21 may not be unreasonably withheld, except as may otherwise be  
22 permitted pursuant to a written agreement between the parties;

23 7. Fraudulent conduct, by or on the part of the beer  
24 distributor or any owner of the beer distributor, or by any employee



1 as to which the beer distributor or any of its owners or its senior  
2 management knew or reasonably should have known, in the beer  
3 distributor's dealings with the brewer of beer, including the  
4 intentional sale of beer outside the brewer's established quality  
5 standards, provided however, in the case of fraudulent conduct by a  
6 beer distributor employee other than the owner or senior management  
7 and only in the event the beer distributor was unaware or should not  
8 have been aware of such fraudulent conduct, the beer distributor  
9 shall be allowed sixty-day cure period following written notice of  
10 such conduct from the brewer, and shall only be terminated for  
11 failing to cure the same within sixty (60) days thereof;

12 8. Cessation of the beer distributor to conduct business for  
13 five (5) consecutive business days, unless conducting the business  
14 is prevented or rendered impractical due to events beyond the  
15 distributor's reasonable control as a result of an act of God, an  
16 insured casualty, war or a condition of national, state or local  
17 emergency; or

18 9. Any intentional sale of beer, directly or indirectly, to  
19 customers located outside the territory assigned to the beer  
20 distributor by the brewer unless expressly authorized by the brewer.

21 ~~Provided, the~~

22 D. Any beer distributor terminated by a brewer under subsection  
23 B of this section shall have the opportunity to sell the brewer's  
24 ~~brands~~ brand rights for one hundred twenty (120) days after

1 termination in accordance with the distributor agreement. If no  
2 such sale occurs, the brewer's newly appointed distributor shall pay  
3 the beer distributor the fair market value of the distribution  
4 rights, which will be lost or diminished by reason of termination.  
5 If the parties cannot agree on the fair market value, the parties  
6 shall follow the same procedures as set forth in paragraphs 2  
7 through 6 of subsection G of this section.

8 ~~D.~~ E. The brewer shall have the right to terminate an agreement  
9 with a beer distributor at any time by giving the beer distributor  
10 at least ninety-days' written notice by certified mail, return  
11 receipt requested; provided, the brewer shall give a similar notice  
12 to all ~~other~~ beer distributors in all other states ~~who have entered~~  
13 ~~into the same~~ with which the brewer has a distributor agreement with  
14 ~~the brewer.~~

15 ~~E.~~ F. 1. If a particular brand of beer is transferred by  
16 purchase or otherwise from a brewer to a successor brewer, ~~the~~  
17 ~~following shall occur:~~

18 ~~1. The~~ the successor brewer shall become obligated to all of  
19 the terms and conditions of the agreement in effect on the date of  
20 succession. This subsection applies regardless of the character or  
21 form of the succession. A successor brewer has the right to  
22 contractually require its beer distributor to comply with  
23 operational standards of performance, if the standards are uniformly  
24 established for all of the successor brewer's distributors.

1 Provided, however, where the successor brewer holds a brewer's  
2 license in the state as of January 1, 2023, and has an existing  
3 distribution agreement with a beer distributor, the successor brewer  
4 may terminate the distribution agreement, in whole or in part, in  
5 order to transfer the brand rights to the successor brewer's beer  
6 distributor with at least sixty (60) days' written notice to the  
7 terminated distributor and with termination effective upon payment  
8 to the terminated beer distributor the fair market value of the  
9 terminated beer distributor's business with respect to the  
10 terminated brand or brands.

11 2. A successor brewer may, upon written notice, terminate its  
12 agreement, in whole or in part, with a beer distributor of the  
13 brewer it succeeded, for the purpose of transferring the  
14 distribution rights in the beer distributor's territory to a new  
15 beer distributor, provided that the successor beer distributor first  
16 pays to the existing beer distributor the fair market value of the  
17 existing distributor's business with respect to the terminated brand  
18 or brands;

19 ~~2.~~ 3. If the successor brewer decides to terminate its  
20 agreement with the existing beer distributor for purposes of  
21 transfer, the successor brewer shall notify the existing beer  
22 distributor in writing of the successor brewer's intent not to  
23 appoint the existing beer distributor for all or part of the  
24 existing beer distributor's territory. The successor brewer shall

1 mail the notice of termination by certified mail, return receipt  
2 requested, to the existing beer distributor. The successor brewer  
3 shall include in the notice the names, addresses and telephone  
4 numbers of the successor beer distributor or distributors;

5 ~~3.~~

6 4. a. the successor beer distributor shall negotiate with  
7 the existing beer distributor to determine the fair  
8 market value of the existing beer distributor's right  
9 to distribute in the existing beer distributor's  
10 territory. The successor beer distributor and the  
11 existing beer distributor shall negotiate the fair  
12 market value in good faith, and

13 b. the existing beer distributor shall continue to  
14 distribute in good faith until payment of the  
15 compensation agreed to under subparagraph a of this  
16 paragraph, or awarded under paragraph 4 of this  
17 subsection, is received; and

18 ~~4.~~

19 5. a. if the successor beer distributor and the existing  
20 beer distributor fail to reach a written agreement on  
21 the fair market value within thirty (30) days after  
22 the existing beer distributor receives the notice  
23 required pursuant to paragraph 2 of this subsection,  
24 the successor beer distributor or the existing beer

1 distributor shall send a written notice to the other  
2 party requesting arbitration pursuant to the Uniform  
3 Arbitration Act, Part 2 of Article 22 of Title 13,  
4 C.R.S. Arbitration shall be held for the purpose of  
5 determining the fair market value of the existing beer  
6 distributor's right to distribute in the existing beer  
7 distributor territory,

8 b. notice of intent to arbitrate shall be sent, as  
9 provided in subparagraph a of this paragraph, not  
10 later than forty (40) days after the existing beer  
11 distributor receives the notice required pursuant to  
12 paragraph 2 of this subsection. The arbitration  
13 proceeding shall conclude not later than sixty (60)  
14 days after the date the notice of intent to arbitrate  
15 is mailed to a party, unless this time is extended by  
16 mutual agreement of the parties and the arbitrator,

17 c. any arbitration held pursuant to this subsection shall  
18 be conducted in a city within this state that:

- 19 (1) is closest to the existing beer distributor, and  
20 (2) has a population of more than twenty thousand  
21 (20,000) people,

22 d. any arbitration held pursuant to this paragraph shall  
23 be conducted before one impartial arbitrator to be  
24 selected by the American Arbitration Association or

1 its successor. The arbitration shall be conducted in  
2 accordance with the rules and procedures of the  
3 Uniform Arbitration Act, Part 2 of Article 22 of Title  
4 13, C.R.S.,

5 e. an arbitrator's award in any arbitration held pursuant  
6 to this paragraph shall be monetary only and shall not  
7 enjoin or compel conduct. Any arbitration held  
8 pursuant to this paragraph shall be in lieu of all  
9 other remedies and procedures,

10 f. the cost of the arbitrator and any other direct costs  
11 of an arbitration held pursuant to this paragraph  
12 shall be equally divided by the parties engaged in the  
13 arbitration. All other costs shall be paid by the  
14 party incurring them,

15 g. the arbitrator in any arbitration held pursuant to  
16 this paragraph shall render a written decision not  
17 later than thirty (30) days after the conclusion of  
18 the arbitration, unless this time is extended by  
19 mutual agreement of the parties and the arbitrator.  
20 The decision of the arbitrator is final and binding on  
21 the parties. The arbitrator's award may be enforced  
22 by commencing a civil action in any court of competent  
23 jurisdiction. Under no circumstances may the parties  
24 appeal the decision of the arbitrator,

1           h.    an existing beer distributor or successor beer  
2               distributor who fails to participate in the  
3               arbitration hearings in any arbitration held pursuant  
4               to this paragraph waives all rights the existing beer  
5               distributor or successor beer distributor would have  
6               had in the arbitration and is considered to have  
7               consented to the determination of the arbitrator, and

8           i.   if the existing beer distributor does not receive  
9               payment from the successor beer distributor of the  
10              settlement or arbitration award required under  
11              paragraph 2 or 3 of this subsection within thirty (30)  
12              days after the date of the settlement or arbitration  
13              award:

14           (1)  the existing beer distributor shall remain the  
15               beer distributor in the existing beer  
16               distributor's territory to at least the same  
17               extent that the existing beer distributor  
18               distributed the beer immediately before the  
19               successor brewer acquired rights to the brand,  
20               and

21           (2)  the existing beer distributor is not entitled to  
22               the settlement or arbitration award.

23       F. G. 1.  In addition to termination rights that may be set  
24       forth in a distributor agreement, a small brewer ~~who manufactures~~

1 ~~less than twenty five thousand barrels of beer annually~~ may  
2 terminate a distributor agreement with any beer distributor;  
3 provided, that, prior to the effective date of the termination, the  
4 small brewer pays the beer distributor the fair market value of the  
5 distribution rights which will be lost or diminished by reason of  
6 the termination.

7       2. If such small brewer and beer distributor cannot mutually  
8 agree to the fair market value of the applicable distribution rights  
9 lost or diminished by reason of the termination, then the brewer  
10 shall pay the beer distributor a good faith estimate of the fair  
11 market value of the applicable distribution rights.

12       3. If the beer distributor being terminated under paragraph 2  
13 of this subsection disputes that the payment made by the small  
14 brewer was less than the fair market value of the distribution  
15 rights, then the beer distributor may within forty-five (45) days of  
16 termination submit the question of fair market value of the  
17 applicable distribution rights lost or diminished by reason of the  
18 termination to binding arbitration before a panel of three neutral  
19 arbitrators appointed in accordance with the commercial arbitration  
20 rules of the American Arbitration Association, which panel shall  
21 determine by majority decision whether the small brewer's payment  
22 meets the requirements of paragraph 2 of this subsection.

23       4. If the arbitration panel rules that the payment made by the  
24 small brewer to the beer distributor upon termination was less than



1 the fair market value of distribution rights lost or diminished by  
2 reason of the termination, then the small brewer must pay the beer  
3 distributor the difference between the payment made to the beer  
4 distributor and the determined fair market value plus interest.

5 5. If the arbitration panel rules that the payment made by the  
6 small brewer to the beer distributor upon termination was more than  
7 the fair market value of distribution rights lost or diminished by  
8 reason of the termination, then the beer distributor must pay the  
9 small brewer the difference between the payment made to the beer  
10 distributor and the determined fair market value, plus interest.

11 6. All arbitration fees and expenses shall be equally divided  
12 among the parties to the arbitration, except if the arbitration  
13 panel determines that the small brewer's payment upon termination  
14 was not a good-faith estimate of the fair market value, then the  
15 panel may award up to one hundred percent (100%) of the arbitration  
16 costs to the ~~small brewer~~ prevailing party.

17 ~~G. H.~~ 1. Any beer distributor or brewer who is aggrieved by a  
18 violation of any provision of ~~subsections B and D of~~ this section  
19 shall be entitled to the recovery of damages caused by the  
20 violation. If a beer distributor is not terminated in accordance  
21 with the provisions of this section, damages may additionally  
22 include the fair market value of the distribution rights. ~~Except~~  
23 ~~for a dispute arising under subsection E of this section, damages~~

1 Damages shall be sought in a civil action in any court of competent  
2 jurisdiction.

3 2. Any dispute arising under ~~subsections B and D~~ of this  
4 section may also be settled by such dispute resolution procedures as  
5 may be provided by a written agreement between the parties.

6 ~~H.~~ I. Nothing in this section shall be construed to limit or  
7 prohibit good-faith settlements voluntarily entered into by the  
8 parties.

9 ~~I.~~ ~~Nothing~~

10 J. Except as otherwise provided herein, nothing in this section  
11 shall be construed to give a beer distributor any right to  
12 compensation if an agreement with the beer distributor is terminated  
13 by a brewer pursuant to ~~subsections B, C and D~~ of this section.

14 ~~J.~~ K. No brewer shall require any beer distributor to waive  
15 compliance with any provision of the Oklahoma Alcoholic Beverage  
16 Control Act and any provisions of the Oklahoma Alcoholic Beverage  
17 Control Act shall supersede any provisions of a distributor  
18 agreement in conflict in this section.

19 ~~K.~~ L. No brewer shall charge or accept, and no beer distributor  
20 shall pay or provide, in a material way, any money, property,  
21 gratuity, rebate, free goods, shipping charges different than those  
22 charged for all beer distributors, allowances, thing of value or  
23 other inducement, as defined in Section 3-123 of this title, from a  
24 beer distributor in exchange for the brewer entering into a

1 distributor agreement with the beer distributor. However, a brewer  
2 who also holds a beer distributor license and desires to sell all or  
3 a portion of its beer distribution rights and business, or a holder  
4 of small brewer license who desires to change its election from  
5 self-distribution to the use of a distributor agreement may accept a  
6 payment for the fair market value of its existing and established  
7 distribution business in the subject territory.

8 ~~H.~~ M. This section shall apply to any agreement entered into  
9 and any renewals, extensions, amendments or conduct constituting a  
10 modification of a distributor agreement by a brewer or cider  
11 manufacturer ~~existing on or after the effective date of this act.~~

12 ~~M.~~ N. Where a cider manufacturer distributes cider through a  
13 beer distributor, the rights and obligations of the cider  
14 manufacturer, the distributor, a successor cider manufacturer and a  
15 successor distributor shall be the same as the rights and  
16 obligations provided in this section for a brewer, beer distributor,  
17 successor brewer and successor beer distributor.

18 SECTION 8. AMENDATORY 37A O.S. 2021, Section 6-102, as  
19 amended by Section 1, Chapter 300, O.S.L. 2022 (37A O.S. Supp. 2022,  
20 Section 6-102), is amended to read as follows:

21 Section 6-102. A. No licensee of the ABLE Commission shall:

22 1. Receive, possess or sell any alcoholic beverage except as  
23 authorized by the Oklahoma Alcoholic Beverage Control Act and by the  
24 license or permit which the licensee holds;

1        2.    Employ any person under eighteen (18) years of age in the  
2    selling of beer or wine or employ any person under twenty-one (21)  
3    years of age in the selling of spirits.    Provided:

4            a.    a mixed beverage, beer and wine, caterer, public  
5                    event, special event, bottle club, retail wine or  
6                    retail beer licensee may employ servers or sales  
7                    clerks who are at least eighteen (18) years of age,  
8                    except persons under twenty-one (21) years of age may  
9                    not serve in designated bar or lounge areas, and

10          b.    a mixed beverage, beer and wine, caterer, public  
11                    event, special event or bottle club licensee may  
12                    employ or hire musical bands who have musicians who  
13                    are under eighteen (18) years of age if each such  
14                    musician is either accompanied by a parent or legal  
15                    guardian or has on their person, to be made available  
16                    for inspection upon demand by any employee of the ABLE  
17                    Commission or law enforcement officer, a written,  
18                    notarized affidavit from the parent or legal guardian  
19                    giving the underage musician permission to perform in  
20                    designated bar or lounge areas;

21        3.    Give any alcoholic beverage as a prize, premium or  
22    consideration for any lottery, game of chance or skill or any type  
23    of competition;

1       4. Use any of the following means or inducements to stimulate  
2 the consumption of alcoholic beverages, including but not limited  
3 to:

4           a. deliver more than two drinks to one person at one  
5 time, except:

6           (1) as provided for serving tasting flights defined  
7           in Section 6-102.1 of this title, or

8           (2) up to six (6) bottles or cans of beer in the  
9           original packaging for on-premises consumption  
10           may be delivered to one person at one time in a  
11           reusable container, including but not limited to  
12           a bucket or insulated cooler which may be cooled  
13           by ice or another cooling method,

14          b. sell or offer to sell to any person or group of  
15 persons any drinks at a price that is less than six  
16 percent (6%) below the markup of the cost to the mixed  
17 beverage licensee; provided, a mixed beverage licensee  
18 shall be permitted to offer these drink specials on  
19 any particular hour of any particular day and shall  
20 not be required to offer these drink specials for an  
21 entire calendar week or from open to close, and shall  
22 not be required to offer such drink specials at all  
23 venues operating under the same mixed beverage  
24 license; provided, a mixed beverage licensee selling

1 wine, beer, or cocktails to-go shall be permitted to  
2 offer these to-go drinks at a different price than on-  
3 premises drinks,

4 c. sell or offer to sell to any person an unlimited  
5 number of drinks during any set period of time for a  
6 fixed price, except at private functions not open to  
7 the public,

8 d. sell or offer to sell drinks to any person or group of  
9 persons on any one day or portion thereof at prices  
10 less than those charged the general public on that  
11 day, except at private functions not open to the  
12 public,

13 e. increase the volume of alcoholic beverages contained  
14 in a drink without increasing proportionately the  
15 price regularly charged for such drink during the same  
16 calendar week, or

17 f. encourage or permit, on the licensed premises, any  
18 game or contest which involves drinking or the  
19 awarding of drinks as prizes.

20 Provided, that the provisions of this paragraph shall not  
21 prohibit the advertising or offering of food, entertainment or  
22 bottle service in licensed establishments;

23 5. Permit or allow any patron or person to exit the licensed  
24 premises with an open container of any alcoholic beverage.

1 Provided, this prohibition shall not be applicable to closed  
2 original containers of alcoholic beverages which are carried from  
3 the licensed premises of a bottle club by a patron, closed original  
4 wine containers removed from the premises of restaurants, hotels and  
5 motels, or to closed original containers of alcoholic beverages  
6 transported to and from the place of business of a licensed caterer  
7 by the caterer or an employee of the caterer;

8 6. Serve or sell alcoholic beverages with an expired license  
9 issued by the ABLE Commission;

10 7. Permit any person to be drunk or intoxicated on the  
11 licensee's licensed premises; or

12 8. Permit or allow any patron to serve or pour himself or  
13 herself any alcoholic beverage, except a licensee may offer a patron  
14 self-pour service of beer or wine, or both, from automated devices  
15 on licensed premises so long as:

16 a. the licensee monitors and has the ability to control  
17 the dispensing of such beer or wine, or both, from the  
18 automated devices. "Automated device" shall mean any  
19 mechanized device capable of dispensing wine or beer,  
20 or both, directly to a patron in exchange for  
21 compensation that a licensee has received directly  
22 from the patron, and

23 b. each licensee offering a patron self-pour service of  
24 wine or beer, or both, from any automated device shall

1 provide constant video monitoring of the automated  
2 device at all times during which the licensee is open  
3 to the public. The licensee shall keep recorded  
4 footage from the video monitoring for at least sixty  
5 (60) days, and shall provide the footage, upon  
6 request, to any agent of the Director of the ABLE  
7 Commission or other authorized law enforcement agent.

8 B. 1. The compensation required by subparagraph a of paragraph  
9 8 of subsection A of this section shall be in the form of a radio  
10 frequency identification (RFID) device, mobile application or any  
11 other technology approved by the ABLE Commission containing a fixed  
12 amount of volume of thirty-two (32) ounces for beer and ten (10)  
13 ounces for wine that may be directly exchanged for beer or wine  
14 dispensed from the automated device:

- 15 a. RFID devices may be assigned, used or reactivated only  
16 during a business day,
- 17 b. each RFID device shall be obtained from the licensee  
18 by a patron,
- 19 c. a licensee shall not issue more than one active RFID  
20 device to a patron, and
- 21 d. an RFID device shall be deemed active if the RFID  
22 device contains volume credit or has not yet been used  
23 to dispense ten (10) ounces of wine or thirty-two (32)  
24 ounces of beer.



1        2. In order to obtain an RFID device from a licensee, each  
2 patron shall produce a valid driver license, identification card or  
3 other government-issued document that contains a photograph of the  
4 individual and demonstrates that the individual is at least twenty-  
5 one (21) years of age. Each RFID device shall be programmed to  
6 require the production of the patron's valid identification before  
7 the RFID device can be used for the first time during any business  
8 day or for any subsequent reactivation.

9        3. Each RFID device shall become inactive at the end of each  
10 business day.

11       4. Each RFID device shall be programmed to allow the dispensing  
12 of no more than ten (10) ounces of wine or thirty-two (32) ounces of  
13 beer to a patron:

14           a. once an RFID device has been used to dispense ten (10)  
15 ounces of wine or thirty-two (32) ounces of beer to a  
16 patron, the RFID device shall become inactive, and

17           b. any patron in possession of an inactive RFID device  
18 may, upon production of the patron's valid  
19 identification to the licensee or licensee's employee,  
20 have the RFID device reactivated to allow the  
21 dispensing of an additional ten (10) ounces of wine or  
22 thirty-two (32) ounces of beer from an automated  
23 device.  
24

1 Paragraphs 1, 2, 3 and 4 of this subsection shall not apply to wine  
2 or beer that is dispensed directly to the licensee or the licensee's  
3 agent or employee.

4 C. A mixed beverage or beer and wine licensee shall not be  
5 deemed to have violated the provisions of paragraph 5 of subsection  
6 A of this section if it allowed a patron to leave the licensed  
7 premises with an open container of beer or wine only and:

8 1. The otherwise prohibited act was committed during the hours  
9 of 8 a.m. to midnight on the day of a scheduled home football game  
10 of institutions within The Oklahoma State System of Higher  
11 Education, and the establishment is located within two thousand  
12 (2,000) feet of the institution;

13 2. The licensee is participating by invitation in a municipally  
14 sanctioned art, music or sporting event within city limits when the  
15 municipality has provided written notice of the event and a list of  
16 invited licensees to the ABLE Commission at least five (5) days  
17 prior to the event; or

18 3. The patron remains on the connected, physical property of  
19 the licensee or in a public area adjacent to the physical property  
20 of the licensee with prior municipal approval; provided, that  
21 written notice of the use of the connected, physical property of the  
22 licensee or public area shall be provided to the ABLE Commission at  
23 least five (5) days prior to such use.

1       SECTION 9.       REPEALER       37A O.S. 2021, Section 2-102, as  
2 amended by Section 1, Chapter 226, O.S.L. 2019, is hereby repealed.

3       SECTION 10. It being immediately necessary for the preservation  
4 of the public peace, health or safety, an emergency is hereby  
5 declared to exist, by reason whereof this act shall take effect and  
6 be in full force from and after its passage and approval.

7

8       59-1-8408       JL       05/23/23

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24