

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1682

By: Dempsey of the House

and

7 **Coleman** of the Senate

8
9
10 COMMITTEE SUBSTITUTE

11 An Act relating to alcoholic beverages; amending 37A
12 O.S. 2021, Section 2-103, which relates to a
13 distiller license; modifying where a distiller may
14 sell spirits produced by the license holder;
15 providing that spirits sold by the distiller when
16 mixed with other non-alcoholic substances, shall not
17 be considered cocktails, mixed beverages or mixed
18 drinks and that those substances are not part of the
19 distilling process; and declaring an emergency.

20
21
22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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

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

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

7 4. To serve free samples of spirits produced only by the
8 licensee to visitors twenty-one (21) years of age and older. For
9 purposes of this section, no visitor may sample more than a total of
10 three (3) fluid ounces of spirits per day. The distiller shall
11 restrict the distribution and consumption of spirits samples to an
12 area within the licensed premises designated by the distiller. A
13 current floor plan that includes the designated sampling area shall
14 be on file with the ABLE Commission. No visitor under twenty-one
15 (21) years of age shall be permitted to enter the designated
16 sampling area when samples are being distributed and consumed.
17 Samples of spirits served by a distiller under this section shall
18 not be considered a sale of spirits within the meaning of Article
19 XXVIII-A of the Oklahoma Constitution or Section 1-103 of this
20 title; provided, such samples of spirits shall be considered removed
21 or withdrawn from the distillery for use or consumption within the
22 meaning of Section 5-110 of this title for excise tax determination
23 and reporting requirements;

1 5. To sell spirits produced by the licensee for either on-
2 premises or off-premises consumption to consumers on the licensed
3 distillery premises or in an area controlled by the licensee located
4 contiguous to the licensed distillery premises and at one (1)
5 location controlled by the licensee located not contiguous to the
6 licensed distillery premises. ~~Product~~ Spirits offered for sale by
7 the Oklahoma licensed distiller will have been sold to and shipped
8 to an Oklahoma licensed wine and spirits wholesaler and then made
9 available for purchase by the Oklahoma licensed distiller for sale;
10 and

11 6. To sell spirits at public events such as trade shows or
12 festivals. Products offered for sale by the Oklahoma licensed
13 distiller will have been sold to and shipped to an Oklahoma licensed
14 wine and spirits wholesaler and then made available for purchase by
15 the Oklahoma licensed distiller.

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

19 C. Spirits sold pursuant to paragraphs 5 and 6 of subsection A
20 of this section, when mixed with other non-alcoholic substances,
21 shall not be considered cocktails, mixed beverages or mixed drinks.
22 Substances used for on premise consumption shall be non-alcoholic in
23 nature and shall not be considered part of the manufacturing
24 process.

SECTION 2. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED SUBSTANCES, dated 03/02/2023 - DO PASS, As Amended and Coauthored.