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February 26, 2024

**AS AMENDED**

SENATE BILL NO. 1604

By: Coleman

[ alcoholic beverages - beer distributor license -  
notice - exemption renewal - effective date ]

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

SECTION 1. AMENDATORY 37A O.S. 2021, Section 2-108, as amended by Section 1, Chapter 94, O.S.L. 2023 (37A O.S. Supp. 2023, Section 2-108), is amended to read as follows:

Section 2-108. A. A beer distributor license shall authorize the holder thereof:

1. To purchase and import into this state cider from persons authorized to sell the same who are the holders of manufacturer's licenses, and their agents who are the holders of manufacturer's agent licenses;

2. To purchase and import into this state beer or cider from persons authorized to sell the same who are the holders of brewer's or small brewer's licenses;

3. To purchase beer and cider from licensed beer distributors in this state;

1        4. To sell in retail containers to retailers, on-premises beer  
2 and wine, mixed beverage, caterer, special event, public event,  
3 hotel beverage and airline/railroad beverage licensees or any other  
4 licensee permitted to sell beer to consumers in this state, beer and  
5 cider which has been received, unloaded and stored at the holder's  
6 self-owned or leased and self-operated warehouses before such sale,  
7 unless otherwise permitted by this section;

8        5. To sell beer and cider in this state to beer distributors  
9 and out of this state to qualified persons, including federal  
10 instrumentalities and voluntary associations of military personnel  
11 on federal enclaves in this state over which this state has ceded  
12 jurisdiction;

13        6. To donate beer and cider to organizations, associations or  
14 nonprofit corporations organized for political, fraternal,  
15 charitable, religious or social purposes or to charitable events;

16        7. To transport wine, spirits, beer and cider in vehicles  
17 owned, leased or operated by the beer distributor, a subsidiary of  
18 the beer distributor, or its agent, in addition to any nonalcoholic  
19 items. Provided, if the beer distributor transports wine and  
20 spirits, a valid wine and spirits wholesaler license must be  
21 maintained by the beer distributor or affiliated entity having  
22 common ownership with the licensed beer distributor; and

23        8. To store alcoholic beverages of any kind, including wine and  
24 spirits owned by a licensed affiliated entity having common

1 ownership, nonalcoholic beverages, and other goods, wares, and  
2 merchandise related to the foregoing, in any number of warehouses  
3 owned or leased by the beer distributor as determined by the beer  
4 distributor. Provided, however, the storage of wine and spirits  
5 shall comply with the limitations to the number of warehouses  
6 contained in Section 2-107 of this title. There shall be no  
7 obligation to segregate the products in the warehouse by alcohol  
8 content or type of product. For purposes of this section, a leased  
9 warehouse includes a leased space within a multi-tenant building as  
10 long as such leased space is a discrete, enclosed area operated and  
11 controlled exclusively by the beer distributor.

12 B. In the event that no in-state beer distributor for a  
13 particular brewer or manufacturer is willing to deliver beer or  
14 cider to a county or counties located within the state, the ~~ABLE~~  
15 Alcoholic Beverage Laws Enforcement (ABLE) Commission may grant an  
16 economic hardship exemption to an out-of-state beer distributor for  
17 a particular brewer and waive the at-rest requirement set forth in  
18 this section, upon a good-faith showing that:

19 1. It is economically infeasible or impractical for an in-state  
20 beer distributor for a particular brewer to deliver to the county or  
21 counties due to remoteness, or population, or both;

22 2. No in-state beer distributor of a particular brewer or  
23 manufacturer objects to the waiver within ~~thirty (30)~~ forty-five  
24

1 (45) days of receiving written notice of the economic hardship  
2 application sent by the ABLE Commission; and

3 3. The out-of-state beer distributor agrees to pay all  
4 necessary licensing fees and remit all applicable taxes to the State  
5 of Oklahoma.

6 C. The economic hardship exemption provided for in subsection B  
7 of this section shall renew annually, provided that no in-state beer  
8 distributor for a particular brewer or manufacturer submits an  
9 executed distribution agreement to assume responsibility to  
10 distribute the beer in the subject county or counties at least ~~sixty~~  
11 ~~(60)~~ thirty (30) days prior to the renewal date of the exemption.

12 The in-state beer distributor who has executed a distribution  
13 agreement to assume responsibility to distribute beer in the subject  
14 territory shall compensate the out-of-state distributor the fair  
15 market value of the distribution rights of the territory as  
16 determined pursuant to Section 3-108 of this title.

17 D. Provided, nothing in this section shall require an Oklahoma  
18 licensed beer distributor with an Oklahoma designated territory on  
19 ~~the effective date of this act~~ October 1, 2018, to meet the hardship  
20 provisions in subsections B and C of this section to continue to  
21 operate as a licensed Oklahoma beer distributor.

22 SECTION 2. This act shall become effective November 1, 2024.

23 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE  
24 February 26, 2024 - DO PASS AS AMENDED