

1 **SENATE FLOOR VERSION**

2 February 20, 2020

3 COMMITTEE SUBSTITUTE  
4 FOR  
5 SENATE BILL NO. 1629

By: David and Bergstrom

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7  
8 An Act relating to the Oklahoma Alcoholic Beverage  
9 Control Act; amending Section 3, Chapter 366, O.S.L.  
10 2016, as last amended by Section 1, Chapter 420,  
11 O.S.L. 2019 (37A O.S. Supp. 2019, Section 1-103),  
12 which relates to definitions; adding definition for  
13 small farm producer; updating statutory references;  
14 amending Section 13, Chapter 366, O.S.L. 2016, as  
15 last amended by Section 2, Chapter 420, O.S.L. 2019  
16 (37A O.S. Supp. 2019, Section 2-101), which relates  
17 to licenses; adding small farm producer license;  
18 setting license fee; modifying references;  
19 establishing authority for certain license;  
20 permitting tastings and sales for on-premises and  
21 off-premises consumption; limiting gallons for  
22 certain consumption; requiring records be kept;  
23 allowing label to be owned by certain licensees; and  
24 providing an effective date.

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

SECTION 1. AMENDATORY Section 3, Chapter 366, O.S.L.  
2016, as last amended by Section 1, Chapter 420, O.S.L. 2019 (37A  
O.S. Supp. 2019, Section 1-103), is amended to read as follows:

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

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

3           2. "Alcohol" means and includes hydrated oxide of ethyl, ethyl  
4 alcohol, ethanol or spirits of wine, from whatever source or by  
5 whatever process produced. It does not include wood alcohol or  
6 alcohol which has been denatured or produced as denatured in  
7 accordance with Acts of Congress and regulations promulgated  
8 thereunder;

9           3. "Alcoholic beverage" means alcohol, spirits, beer and wine  
10 as those terms are defined herein and also includes every liquid or  
11 solid, patented or not, containing alcohol, spirits, wine or beer  
12 and capable of being consumed as a beverage by human beings;

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

17           5. "Beer" means any beverage of alcohol by volume and obtained  
18 by the alcoholic fermentation of an infusion or decoction of barley,  
19 or other grain, malt or similar products. "Beer" may or may not  
20 contain hops or other vegetable products. "Beer" includes, among  
21 other things, beer, ale, stout, lager beer, porter and other malt or  
22 brewed liquors, but does not include sake, known as Japanese rice  
23 wine;

24

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

3       7. "Beer distributor" means and includes any person licensed to  
4 distribute beer for retail sale in the state, but does not include a  
5 holder of a small brewer self-distribution license or brewpub self-  
6 distribution license. The term "distributor", as used in ~~this act~~  
7 the Oklahoma Alcoholic Beverage Control Act, shall be construed to  
8 refer to a beer distributor;

9       8. "Bottle club" means any establishment in a county which has  
10 not authorized the retail sale of alcoholic beverages by the  
11 individual drink, which is required to be licensed to keep, mix and  
12 serve alcoholic beverages belonging to club members on club  
13 premises;

14       9. "Brand" means any word, name, group of letters, symbol or  
15 combination thereof, that is adopted and used by a licensed  
16 manufacturer to identify a specific beer and to distinguish that  
17 product from another beer;

18       10. "Brand extension" means:

19           a. ~~after the effective date of this act~~ October 1, 2018,  
20           any brand of beer or cider introduced by a  
21           manufacturer in this state which either:

22                   (1) incorporates all or a substantial part of the  
23                   unique features of a preexisting brand of the  
24                   same licensed manufacturer, or

1 (2) relies to a significant extent on the goodwill  
2 associated with the preexisting brand, or  
3 b. any brand of beer that a manufacturer, the majority of  
4 whose total volume of all brands of beer distributed  
5 in this state by such manufacturer on January 1, 2016,  
6 was distributed as low-point beer, desires to sell,  
7 introduces, begins selling or theretofore has sold and  
8 desires to continue selling a strong beer in this  
9 state which either:

10 (1) incorporates or incorporated all or a substantial  
11 part of the unique features of a preexisting low-  
12 point beer brand of the same licensed  
13 manufacturer, or

14 (2) relies or relied to a significant extent on the  
15 goodwill associated with a preexisting low-point  
16 beer brand;

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

21 12. "Brewpub" means a licensed establishment operated on the  
22 premises of, or on premises located contiguous to, a small brewer,  
23 that prepares and serves food and beverages, including alcoholic  
24 beverages, for on-premises consumption;

1 13. "Cider" means any alcoholic beverage obtained by the  
2 alcoholic fermentation of fruit juice, including but not limited to  
3 flavored, sparkling or carbonated cider. For the purposes of the  
4 distribution of this product, cider may be distributed by either  
5 wine and spirits wholesalers or beer distributors;

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

10 15. "Convicted" and "conviction" mean and include a finding of  
11 guilt resulting from a plea of guilty or nolo contendere, the  
12 decision of a court or magistrate or the verdict of a jury,  
13 irrespective of the pronouncement of judgment or the suspension  
14 thereof;

15 16. "Director" means the Director of the ABLE Commission;

16 17. "Distiller" means any person who produces spirits from any  
17 source or substance, or any person who brews or makes mash, wort or  
18 wash, fit for distillation or for the production of spirits (except  
19 a person making or using such material in the authorized production  
20 of wine or beer, or the production of vinegar by fermentation), or  
21 any person who by any process separates alcoholic spirits from any  
22 fermented substance, or any person who, making or keeping mash, wort  
23 or wash, has also in his or her possession or use a still;

24

1 18. "Distributor agreement" means the written agreement between  
2 the distributor and manufacturer as set forth in Section 3-108 of  
3 this title;

4 19. "Drug store" means a person primarily engaged in retailing  
5 prescription and nonprescription drugs and medicines;

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

9 a. as a low-point beer pursuant to the Low-Point Beer  
10 Distribution Act in effect immediately prior to ~~the~~  
11 ~~effective date of this act~~ October 1, 2018, and

12 b. as strong beer pursuant to the Alcoholic Beverage  
13 Control Act in effect immediately prior to ~~the~~  
14 ~~effective date of this act~~ October 1, 2018,

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

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

24 22. "Good cause" means:

- 1           a.    failure by the distributor to comply with the material  
2                    and reasonable provisions of a written agreement or  
3                    understanding with the manufacturer, or  
4           b.    failure by the distributor to comply with the duty of  
5                    good faith;

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

10          24.   "Grocery store" means a person primarily engaged in  
11 retailing a general line of food, such as canned or frozen foods,  
12 fresh fruits and vegetables, and fresh and prepared meats, fish and  
13 poultry;

14          25.   "Hotel" or "motel" means an establishment which is licensed  
15 to sell alcoholic beverages by the individual drink and which  
16 contains guestroom accommodations with respect to which the  
17 predominant relationship existing between the occupants thereof and  
18 the owner or operator of the establishment is that of innkeeper and  
19 guest. For purposes of this section, the existence of other legal  
20 relationships as between some occupants and the owner or operator  
21 thereof shall be immaterial;

22          26.   "Legal newspaper" means a newspaper meeting the requisites  
23 of a newspaper for publication of legal notices as prescribed in  
24 Sections 101 through 114 of Title 25 of the Oklahoma Statutes;

1        27. "Licensee" means any person holding a license under the  
2 Oklahoma Alcoholic Beverage Control Act, and any agent, servant or  
3 employee of such licensee while in the performance of any act or  
4 duty in connection with the licensed business or on the licensed  
5 premises;

6        28. "Low-point beer" shall mean any beverages containing more  
7 than one-half of one percent (1/2 of 1%) alcohol by volume, and not  
8 more than three and two-tenths percent (3.2%) alcohol by weight,  
9 including but not limited to, beer or cereal malt beverages obtained  
10 by the alcoholic fermentation of an infusion by barley or other  
11 grain, malt or similar products;

12        29. "Manufacturer" means a brewer, distiller, winemaker,  
13 rectifier or bottler of any alcoholic beverage and its subsidiaries,  
14 affiliates and parent companies;

15        30. "Manufacturer's agent" means a salaried or commissioned  
16 salesperson who is the agent authorized to act on behalf of the  
17 manufacturer or nonresident seller in the state;

18        31. "Meals" means foods commonly ordered at lunch or dinner and  
19 at least part of which is cooked on the licensed premises and  
20 requires the use of dining implements for consumption. Provided,  
21 that the service of only food such as appetizers, sandwiches, salads  
22 or desserts shall not be considered "meals";



1 32. "Mini-bar" means a closed container, either refrigerated in  
2 whole or in part, or nonrefrigerated, and access to the interior of  
3 which is:

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

7 33. "Mixed beverage cooler" means any beverage, by whatever  
8 name designated, consisting of an alcoholic beverage and fruit or  
9 vegetable juice, fruit or vegetable flavorings, dairy products or  
10 carbonated water containing more than one-half of one percent (1/2  
11 of 1%) of alcohol measured by volume but not more than seven percent  
12 (7%) alcohol by volume at sixty (60) degrees Fahrenheit and which is  
13 packaged in a container not larger than three hundred seventy-five  
14 (375) milliliters. Such term shall include but not be limited to  
15 the beverage popularly known as a "wine cooler";

16 34. "Mixed beverages" means one or more servings of a beverage  
17 composed in whole or part of an alcoholic beverage in a sealed or  
18 unsealed container of any legal size for consumption on the premises  
19 where served or sold by the holder of a mixed beverage, beer and  
20 wine, caterer, public event, charitable event or special event  
21 license;

22 35. "Motion picture theater" means an establishment which is  
23 licensed by Section 2-110 of this title to sell alcoholic beverages  
24

1 by the individual drink and where motion pictures are exhibited, and  
2 to which the general public is admitted;

3 36. "Nonresident seller" means any person licensed pursuant to  
4 Section 2-135 of this title;

5 37. "Retail salesperson" means a salesperson soliciting orders  
6 from and calling upon retail alcoholic beverage stores with regard  
7 to his or her product;

8 38. "Occupation" as used in connection with "occupation tax"  
9 means the sites occupied as the places of business of the  
10 manufacturers, wholesalers, beer distributors, retailers, mixed  
11 beverage licensees, on-premises beer and wine licensees, bottle  
12 clubs, caterers, public event and special event licensees;

13 39. "Original package" means any container of alcoholic  
14 beverage filled and stamped or sealed by the manufacturer;

15 40. "Package store" means any sole proprietor or partnership  
16 that qualifies to sell wine, beer and/or spirits for off-premises  
17 consumption and that is not a grocery store, convenience store or  
18 drug store, or other retail outlet that is not permitted to sell  
19 wine or beer for off-premises consumption;

20 41. "Patron" means any person, customer or visitor who is not  
21 employed by a licensee or who is not a licensee;

22 42. "Person" means an individual, any type of partnership,  
23 corporation, association, limited liability company or any  
24

1 individual involved in the legal structure of any such business  
2 entity;

3 43. "Premises" means the grounds and all buildings and  
4 appurtenances pertaining to the grounds including any adjacent  
5 premises if under the direct or indirect control of the licensee and  
6 the rooms and equipment under the control of the licensee and used  
7 in connection with or in furtherance of the business covered by a  
8 license. Provided that the ABLE Commission shall have the authority  
9 to designate areas to be excluded from the licensed premises solely  
10 for the purpose of:

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

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

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

1       45. "Public event" means any event that can be attended by the  
2 general public;

3       46. "Rectifier" means any person who rectifies, purifies or  
4 refines spirits or wines by any process (other than by original and  
5 continuous distillation, or original and continuous processing, from  
6 mash, wort, wash or other substance, through continuous closed  
7 vessels and pipes, until the production thereof is complete), and  
8 any person who, without rectifying, purifying or refining spirits,  
9 shall by mixing (except for immediate consumption on the premises  
10 where mixed) such spirits, wine or other liquor with any material,  
11 manufactures any spurious, imitation or compound liquors for sale,  
12 under the name of whiskey, brandy, rum, gin, wine, spirits, cordials  
13 or any other name;

14       47. "Regulation" or "rule" means a formal rule of general  
15 application promulgated by the ABLE Commission as herein required;

16       48. "Restaurant" means an establishment that is licensed to  
17 sell alcoholic beverages by the individual drink for on-premises  
18 consumption and where food is prepared and sold for immediate  
19 consumption on the premises;

20       49. "Retail container for spirits and wines" means an original  
21 package of any capacity approved by the United States Bureau of  
22 Alcohol, Tobacco and Firearms;

23       50. "Retailer" means a package store, grocery store,  
24 convenience store or drug store licensed to sell alcoholic beverages

1 for off-premises consumption pursuant to a Retail Spirits License,  
2 Retail Wine License or Retail Beer License;

3 51. "Sale" means any transfer, exchange or barter in any manner  
4 or by any means whatsoever, and includes and means all sales made by  
5 any person, whether as principal, proprietor or as an agent, servant  
6 or employee. The term "sale" is also declared to be and include the  
7 use or consumption in this state of any alcoholic beverage obtained  
8 within or imported from without this state, upon which the excise  
9 tax levied by the Oklahoma Alcoholic Beverage Control Act has not  
10 been paid or exempted;

11 52. "Short-order food" means food other than full meals  
12 including but not limited to sandwiches, soups and salads. Provided  
13 that popcorn, chips and other similar snack food shall not be  
14 considered "short-order food";

15 53. "Small brewer" means a brewer who manufactures less than  
16 twenty-five thousand (25,000) barrels of beer annually pursuant to a  
17 validly issued Small Brewer License hereunder;

18 54. "Small farm wine" means a wine that is produced by a small  
19 farm winery with seventy-five percent (75%) or more Oklahoma-grown  
20 grapes, berries, other fruits, honey or vegetables;

21 55. "Small farm winery" means a wine-making establishment that  
22 does not annually produce for sale more than fifteen thousand  
23 (15,000) gallons of wine as reported on the United States Department  
24

1 of the Treasury, Alcohol and Tobacco Tax and Trade Bureau, Report of  
2 Wine Premises Operations (TTB Form 5120.17);

3 56. "Small farm producer" means a person that annually produces  
4 in this state no less than one hundred (100) vines of sound ripe  
5 grapes, one thousand (1,000) pounds of other sound ripe fruit or  
6 berries or one hundred (100) pounds of honey;

7 57. "Sparkling wine" means champagne or any artificially  
8 carbonated wine;

9 ~~57.~~ 58. "Special event" means an entertainment, recreation or  
10 marketing event that occurs at a single location on an irregular  
11 basis and at which alcoholic beverages are sold;

12 ~~58.~~ 59. "Spirits" means any beverage other than wine or beer,  
13 which contains more than one-half of one percent (1/2 of 1%) alcohol  
14 measured by volume, and obtained by distillation, whether or not  
15 mixed with other substances in solution and includes those products  
16 known as whiskey, brandy, rum, gin, vodka, liqueurs, cordials and  
17 fortified wines and similar compounds, but shall not include any  
18 alcohol liquid completely denatured in accordance with the Acts of  
19 Congress and regulations pursuant thereto;

20 ~~59.~~ 60. "Strong beer" means beer which, prior to ~~the effective~~  
21 ~~date of this act~~ October 1, 2018, was distributed pursuant to the  
22 Oklahoma Alcoholic Beverage Control Act, Section 501 et seq. of  
23 Title 37 of the Oklahoma Statutes;

24

1       ~~60.~~ 61. "Successor manufacturer" means a primary source of  
2 supply, a brewer, a cider manufacturer or an importer that acquires  
3 rights to a beer or cider brand from a predecessor manufacturer;

4       ~~61.~~ 62. "Tax Commission" means the Oklahoma Tax Commission;

5       ~~62.~~ 63. "Territory" means a geographic region with a specified  
6 boundary;

7       ~~63.~~ 64. "Wine and spirits wholesaler" or "wine and spirits  
8 distributor" means and includes any sole proprietorship or  
9 partnership licensed to distribute wine and spirits in the state.  
10 The term "wholesaler", as used in ~~this act~~ the Oklahoma Alcoholic  
11 Beverage Control Act, shall be construed to refer to a wine and  
12 spirits wholesaler;

13       ~~64.~~ 65. "Wine" means and includes any beverage containing more  
14 than one-half of one percent (1/2 of 1%) alcohol by volume and not  
15 more than twenty-four percent (24%) alcohol by volume at sixty (60)  
16 degrees Fahrenheit obtained by the fermentation of the natural  
17 contents of fruits, vegetables, honey, milk or other products  
18 containing sugar, whether or not other ingredients are added, and  
19 includes vermouth and sake, known as Japanese rice wine;

20       ~~65.~~ 66. "Winemaker" means and includes any person or  
21 establishment who manufactures for human consumption any wine upon  
22 which a license fee and a tax are imposed by any law of this state;  
23 and  
24

1       ~~66.~~ 67. "Satellite tasting room" means a licensed establishment  
2 operated off the licensed premises of the holder of a small farm  
3 winery or winemaker license, which serves wine for on-premises or  
4 off-premises consumption.

5       Words in the plural include the singular, and vice versa, and  
6 words imparting the masculine gender include the feminine, as well  
7 as persons and licensees as defined in this section.

8       SECTION 2.        AMENDATORY        Section 13, Chapter 366, O.S.L.  
9 2016, as last amended by Section 2, Chapter 420, O.S.L. 2019 (37A  
10 O.S. Supp. 2019, Section 2-101), is amended to read as follows:

11       Section 2-101. A. Except as otherwise provided in this  
12 section, the licenses issued by the ABLE Commission, and the annual  
13 fees therefor, shall be as follows:

- 14       1. Brewer License..... \$1,250.00
- 15       2. Small Brewer License..... \$125.00
- 16       3. Distiller License..... \$3,125.00
- 17       4. Winemaker License..... \$625.00
- 18       5. Small Farm Winery License..... \$75.00
- 19       6. Small Farm Producer License..... \$75.00
- 20       7. Rectifier License..... \$3,125.00
- 21       ~~7.~~ 8. Wine and Spirits Wholesaler License..... \$3,000.00
- 22       ~~8.~~ 9. Beer Distributor License..... \$750.00
- 23       ~~9.~~ 10. The following retail spirits license fees shall be

24 determined by the latest Federal Decennial Census:



1	a.	Retail Spirits License for cities and	
2		towns from 200 to 2,500 population.....	\$305.00
3	b.	Retail Spirits License for cities and	
4		towns from 2,501 to 5,000 population.....	\$605.00
5	c.	Retail Spirits License for cities and	
6		towns over 5,000 population.....	\$905.00
7	<del>10.</del> <u>11.</u>	Retail Wine License.....	\$1,000.00
8	<del>11.</del> <u>12.</u>	Retail Beer License.....	\$500.00
9	<del>12.</del> <u>13.</u>	Mixed Beverage License.....	\$1,005.00
10			(initial license)
11			\$905.00
12			(renewal)
13	<del>13.</del> <u>14.</u>	Mixed Beverage/Caterer Combination	
14		License.....	\$1,250.00
15	<del>14.</del> <u>15.</u>	On-Premises Beer and Wine License.....	\$500.00
16			(initial license)
17			\$450.00
18			(renewal)
19	<del>15.</del> <u>16.</u>	Bottle Club License.....	\$1,000.00
20			(initial license)
21			\$900.00
22			(renewal)
23	<del>16.</del> <u>17.</u>	Caterer License.....	\$1,005.00
24			(initial license)

1			\$905.00
2			(renewal)
3	<del>17.</del> <u>18.</u>	Annual Special Event License.....	\$55.00
4	<del>18.</del> <u>19.</u>	Quarterly Special Event License.....	\$55.00
5	<del>19.</del> <u>20.</u>	Hotel Beverage License.....	\$1,005.00
6			(initial license)
7			\$905.00
8			(renewal)
9	<del>20.</del> <u>21.</u>	Airline/Railroad Beverage License.....	\$1,005.00
10			(initial license)
11			\$905.00
12			(renewal)
13	<del>21.</del> <u>22.</u>	Agent License.....	\$55.00
14	<del>22.</del> <u>23.</u>	Employee License.....	\$30.00
15	<del>23.</del> <u>24.</u>	Industrial License.....	\$23.00
16	<del>24.</del> <u>25.</u>	Carrier License.....	\$23.00
17	<del>25.</del> <u>26.</u>	Private Carrier License.....	\$23.00
18	<del>26.</del> <u>27.</u>	Bonded Warehouse License.....	\$190.00
19	<del>27.</del> <u>28.</u>	Storage License.....	\$23.00
20	<del>28.</del> <u>29.</u>	Nonresident Seller License or	
21		Manufacturer's License.....	\$750.00
22	<del>29.</del> <u>30.</u>	Manufacturer's Agent License.....	\$55.00
23	<del>30.</del> <u>31.</u>	Sacramental Wine Supplier License.....	\$100.00
24	<del>31.</del> <u>32.</u>	Charitable Auction License.....	\$1.00

1	<del>32.</del> <u>33.</u>	Charitable Alcoholic Beverage License.....	\$55.00
2	<del>33.</del> <u>34.</u>	Winemaker Self-Distribution License.....	\$750.00
3	<del>34.</del> <u>35.</u>	Annual Public Event License.....	\$1,005.00
4	<del>35.</del> <u>36.</u>	One-Time Public Event License.....	\$255.00
5	<del>36.</del> <u>37.</u>	Small Brewer Self-Distribution License.....	\$750.00
6	<del>37.</del> <u>38.</u>	Brewpub License.....	\$1,005.00
7	<del>38.</del> <u>39.</u>	Brewpub Self-Distribution License.....	\$750.00
8	<del>39.</del> <u>40.</u>	Satellite Tasting Room License.....	\$100.00

9       B. 1. There shall be added to the initial or renewal fees for  
10 a Mixed Beverage License an administrative fee, which shall not be  
11 deemed to be a license fee, in the amount of Five Hundred Dollars  
12 (\$500.00), which shall be paid at the same time and in the same  
13 manner as the license fees prescribed by paragraph 10 of subsection  
14 A of this section; provided, this fee shall not be assessed against  
15 service organizations or fraternal beneficiary societies which are  
16 exempt under Section 501(c)(19), (8) or (10) of the Internal Revenue  
17 Code.

18       2. There shall be added to the fee for a Mixed Beverage/Caterer  
19 Combination License an administrative fee, which shall not be deemed  
20 to be a license fee, in the amount of Two Hundred Fifty Dollars  
21 (\$250.00), which shall be paid at the same time and in the same  
22 manner as the license fee prescribed by paragraph 11 of subsection A  
23 of this section.

24

1 C. Notwithstanding the provisions of subsection A of this  
2 section:

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

8 2. The renewal fee for an airline/railroad beverage license  
9 held by a railroad described in 49 U.S.C., Section 24301, shall be  
10 One Hundred Dollars (\$100.00).

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

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

17 F. The holder of a license, issued by the ABLE Commission, for  
18 a bottle club located in a county of this state where the sale of  
19 alcoholic beverages by the individual drink for on-premises  
20 consumption has been authorized, may exchange the bottle club  
21 license for a mixed beverage license or an on-premises beer and wine  
22 license and operate the licensed premises as a mixed beverage  
23 establishment or an on-premises beer and wine establishment subject  
24 to the provisions of the Oklahoma Alcoholic Beverage Control Act.

1 There shall be no additional fee for such exchange and the mixed  
2 beverage license or on-premises beer and wine license issued shall  
3 expire one (1) year from the date of issuance of the original bottle  
4 club license.

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

- 7 1. Nonresident Seller or Manufacturer License..... \$2,500.00
- 8 2. Wine and Spirits Wholesaler License..... \$2,500.00
- 9 3. Beer Distributor..... \$1,000.00
- 10 4. Retail Spirits License for cities and towns  
11 over 5,000 population..... \$250.00
- 12 5. Retail Spirits License for cities and towns  
13 from 2,501 to 5,000 population..... \$200.00
- 14 6. Retail Spirits License for cities and towns  
15 from 200 to 2,500 population..... \$150.00
- 16 7. Retail Wine License..... \$250.00
- 17 8. Retail Beer License..... \$250.00
- 18 9. Mixed Beverage License..... \$25.00
- 19 10. Mixed Beverage/Caterer Combination License..... \$25.00
- 20 11. Caterer License..... \$25.00
- 21 12. On-Premises Beer and Wine License..... \$25.00
- 22 13. Annual Public Event License..... \$25.00
- 23 14. Small Farm Winery License..... \$25.00
- 24 15. Small Brewer License..... \$35.00

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

6 H. Any license issued by the ABLE Commission under this title  
7 may be relied upon by other licensees as a valid license, and no  
8 other licensee shall have any obligation to independently determine  
9 the validity of such license or be held liable solely as a  
10 consequence of another licensee's failure to maintain a valid  
11 license.

12 SECTION 3. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 2-131.1 of Title 37A, unless  
14 there is created a duplication in numbering, reads as follows:

15 A. Small Farm Producer License shall authorize the holder  
16 thereof:

17 1. To contract with a small farm winery license holder to  
18 manufacture wine exclusively from produce grown by the licensee on  
19 the premises described in the application and in the issued license.  
20 All wine sold or served by the license holder shall be produced, in  
21 whole or in part, using sound ripe grapes, fruits, berries or honey  
22 grown or produced exclusively by the license holder and shall not  
23 exceed one thousand (1,000) gallons.

24

1           2. To conduct wine tastings of wine manufactured from produce  
2 grown by the licensee on the licensed premise and registered farmers  
3 markets;

4           3. To sell wine manufactured from produce grown by the licensee  
5 in the original unopened container or by the glass for either on-  
6 premises or off-premises consumption to consumers on the premises of  
7 the small farm producer license holder; and

8           4. To sell and serve Oklahoma-manufactured wine, mulled wine or  
9 spiced wine, mixed with nonalcoholic beverages or food items such as  
10 water, sugar, fruits and vegetables, at any temperature for either  
11 on-premises or off-premises consumption and not to exceed One  
12 Thousand (1000) gallons.

13           B. The small farm producer licensee shall maintain records of  
14 all sales made under the license, including sales of agriculture  
15 products to a small farm winery and sales to consumers, and maintain  
16 records of all purchases of wine manufactured by such small farm  
17 winery, for at least three (3) years after the sale or purchase.

18           C. The manufacturer for and sale of wine to holders of producer  
19 licenses shall be included in the small farm winery licensee's  
20 annual production.

21           D. The label for any such wine manufactured by the small farm  
22 winery may be owned by either the small farm winery or the producer  
23 licensee for whom the wine was manufactured.

24

1 SECTION 4. This act shall become effective November 1, 2020.

2 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM  
3 February 20, 2020 - DO PASS AS AMENDED  
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