

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE  
4 FOR  
5 HOUSE BILL NO. 1920

By: Martinez

6  
7  
8 COMMITTEE SUBSTITUTE

9 An Act relating to beer industry requirements;  
10 amending Section 77, Chapter 366, O.S.L. 2016, as  
11 amended by Section 13, Chapter 322, O.S.L. 2019 (37A  
12 O.S. Supp. 2020, Section 3-107), which relates to  
13 regulation of beer distribution agreements;  
14 prohibiting certain requirement on nonmanufactured  
15 products; prohibiting controlling hiring decisions;  
16 prohibiting mandating advertising payments;  
17 prohibiting mandating certain point-of-sale  
18 advertising and payments; prohibiting initiation of  
19 electronic funds for products exceeding the order;  
20 prohibiting loss for product not in possession;  
21 prohibiting certain payments or mandates for  
22 software; providing a certain exception; and  
23 providing an effective date.

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

SECTION 1. AMENDATORY Section 77, Chapter 366, O.S.L.  
2016, as amended by Section 13, Chapter 322, O.S.L. 2019 (37A O.S.  
Supp. 2020, Section 3-107), is amended to read as follows:

Section 3-107. A. In order to provide for regulation of the  
sales and distribution of beer in this state by the ABLE Commission,

1 this Legislature hereby declares it is necessary to implement the  
2 section.

3 B. Statutory regulation of the sales and distribution of  
4 designated brands in designated territories by distributors shall  
5 include but not be limited to:

6 1. A requirement for written distributor agreements between a  
7 brewer and distributor designating a specific territory within which  
8 the distributor may sell the designated brands of the brewer;

9 2. Provisions for prohibited acts applicable to the distributor  
10 and brewer; and

11 3. Provisions for penalties for violations.

12 C. Except for a brewer that has met the provisions of  
13 subsection E of Section 3-108 of Title 37A of the Oklahoma Statutes  
14 and notwithstanding any existing beer distribution agreement to the  
15 contrary, a brewer or importer of beer shall not:

16 1. Coerce or require a distributor to gather or submit sales  
17 records, retail placement, price, discount, rebate or other details  
18 for beer brands not brewed or imported by the brewer or importer;

19 2. Mandate distributor employee hiring decisions or payment  
20 rates including incentives;

21 3. Require a distributor to pay or contribute marketing,  
22 advertising or other funds for control or expenditure by the brewer  
23 or importer, except a distributor may agree, in writing and advance,  
24

1 to spend or contribute distributor funds for a specified marketing  
2 or advertising plan or opportunity;

3 4. Ship, invoice or initiate electronic funds transfer payment  
4 for any quantity of beer exceeding an order, forecast or inventory  
5 level specified by a distributor or include in a beer sales invoice  
6 charges for any items other than beer, freight, fuel, cooperage,  
7 dunnage, pallets and related deposits;

8 5. Invoice or initiate electronic funds transfer payment for  
9 point-of-sale advertising specialties or other items, except a  
10 brewer or importer may itself place an order and invoice or initiate  
11 electronic funds transfer payment for point-of-sale advertising  
12 specialties or other items pursuant to a specific and advance  
13 written agreement to do so between the distributor and the brewer or  
14 importer;

15 6. Attribute risk of loss, ownership or other financial  
16 interest to a distributor for beer not in the distributor's  
17 possession; or

18 7. Require a distributor to use or pay for development,  
19 installation, or use of any software owned or mandated by the brewer  
20 or importer, except a distributor may be required to maintain data  
21 in a format compatible with data format standards adopted or with  
22 electronic information systems utilized by a brewer or importer.

23  
24

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

SECTION 2. This act shall become effective November 1, 2021.

58-1-7811 JL 02/25/21