

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1604

By: Coleman

AS INTRODUCED

An Act relating to alcoholic beverages; amending 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), which relates to the beer distributor license; extending days for action of written notice; reducing time for certain exemption renewal; updating statutory references; and providing an 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;

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

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

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

13           5. To sell beer and cider in this state to beer distributors  
14 and out of this state to qualified persons, including federal  
15 instrumentalities and voluntary associations of military personnel  
16 on federal enclaves in this state over which this state has ceded  
17 jurisdiction;

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

21           7. To transport wine, spirits, beer and cider in vehicles  
22 owned, leased or operated by the beer distributor, a subsidiary of  
23 the beer distributor, or its agent, in addition to any nonalcoholic  
24 items. Provided, if the beer distributor transports wine and

1 spirits, a valid wine and spirits wholesaler license must be  
2 maintained by the beer distributor or affiliated entity having  
3 common ownership with the licensed beer distributor; and

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

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

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

4 2. No in-state beer distributor of a particular brewer or  
5 manufacturer objects to the waiver within ~~thirty (30)~~ forty-five  
6 (45) days of receiving written notice of the economic hardship  
7 application sent by the ABLE Commission; and

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

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

17 The in-state beer distributor who has executed a distribution  
18 agreement to assume responsibility to distribute beer in the subject  
19 territory shall compensate the out-of-state distributor the fair  
20 market value of the distribution rights of the territory as  
21 determined pursuant to Section 3-108 of this title.

22 D. Provided, nothing in this section shall require an Oklahoma  
23 licensed beer distributor with an Oklahoma designated territory on  
24 ~~the effective date of this act~~ October 1, 2018, to meet the hardship

1 provisions in subsections B and C of this section to continue to  
2 operate as a licensed Oklahoma beer distributor.

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

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