

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 SENATE BILL 1977

By: Murdock

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5
6 AS INTRODUCED

7 An Act relating to alcoholic beverages; amending 37A
8 O.S. 2021, Section 3-119, which relates to prohibited
9 business interests; providing for promulgation of
10 rules; updating statutory reference; and providing an
11 effective date.

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

13 SECTION 1. AMENDATORY 37A O.S. 2021, Section 3-119, is
14 amended to read as follows:

15 Section 3-119. It shall be unlawful for any manufacturer,
16 brewer, wine and spirits wholesaler, beer distributor or person
17 authorized to sell alcoholic beverages to a wholesaler, or any
18 employee, officer, director, stockholder owning fifteen percent
19 (15%) or more of the stock, any type of partner, manager, member or
20 agent thereof, to directly or indirectly:

21 1. Have any financial interest in any premises upon which any
22 alcoholic beverage is sold at retail or in any business connected
23 with the retailing of alcoholic beverages; provided, nothing in ~~this~~
24 ~~act~~ Section 1-101 et seq. of this title shall prohibit the operation
of a mixed beverage licensee, beer and wine licensee or caterer

1 licensee by an entity which has common owners with the holder of a
2 small brewer license or a brewpub license;

3 2. Lend any money or other thing of value, or to make any gift
4 or offer any gratuity, to any package store, retail wine, retail
5 beer, mixed beverage, beer and wine, public event or bottle club
6 licensee or caterer;

7 3. Guarantee any loan or the repayment of any financial
8 obligation of any retailer, mixed beverage, beer and wine, public
9 event or bottle club licensee or caterer;

10 4. Require any wine and spirits wholesaler, beer distributor,
11 retailer, mixed beverage, on-premises beer and wine licensee, public
12 event or caterer to purchase and dispose of any quota of alcoholic
13 beverages, or to require any retailer to purchase any kind, type,
14 size, container or brand of alcoholic beverages in order to obtain
15 any other kind, type, size, container or brand of alcoholic
16 beverages;

17 5. Sell to any retailer, mixed beverage, on-premises beer and
18 wine licensee, public event or caterer any alcoholic beverage on
19 consignment, or upon condition, or with the privilege of return, or
20 on any condition other than a bona fide sale; provided, the
21 following shall not be considered a violation of this paragraph:

- 22 a. delivery in good faith, through mistake, inadvertence
23 or oversight, of an alcoholic beverage that was not
24 ordered by a retailer, mixed beverage licensee, on-

1 premises beer and wine licensee, caterer, public event
2 or special event licensee to such licensee,

3 b. replacement of product breakage that occurred while
4 the alcoholic beverages were in transit from the
5 wholesaler to the licensee, or

6 c. replacement of cork-tainted wine that makes the
7 product unsaleable as long as the licensee notifies
8 the wine and spirits wholesaler of the defect in
9 writing within ninety (90) days after delivery of the
10 product; or

11 6. Extend credit to any retailer, other than holders of Federal
12 Liquor Stamps on United States government reservations and
13 installations, mixed beverage, public event or on-premises beer and
14 wine licensee or caterer, other than a state lodge located in a
15 county which has approved the retail sale of alcoholic beverages by
16 the individual drink for on-premises consumption. The acceptance of
17 a postdated check or draft or the failure to deposit for collection
18 a current check or draft by the second banking day after receipt
19 shall be deemed an extension of credit. Violation of this section
20 shall be grounds for suspension of the license, pursuant to rules
21 promulgated by the Alcoholic Beverage Laws Enforcement Commission.

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