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February 28, 2019

AS AMENDED

SENATE BILL NO. 963

By: Bice

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[ alcoholic beverage licenses - wine self-  
distribution license - effective date ]
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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 69, Chapter 366, O.S.L. 2016, as amended by Section 2, Chapter 113, O.S.L. 2018 (37A O.S. Supp. 2018, Section 2-157), is amended to read as follows:

Section 2-157. A. Every winemaker or small farm winery electing to directly sell its wines to retailers, mixed beverage licensees, beer and wine licensees, and restaurants must obtain a winery self-distribution license and pay the applicable license fee and shall register its products and post its prices with the state in the same manner required of the holder of a ~~nonresident seller~~ wine and spirit wholesaler license.

B. Every winemaker or small farm winery electing to directly sell its wines to retailers, mixed beverage licensees, beer and wine licensees, and restaurants shall report all sales to retail package stores, mixed beverage licensees, beer and wine licensees, and

1 restaurants in this state to the ABLE Commission and to the Oklahoma
2 Tax Commission at least monthly, or in accordance with such rules as
3 the ABLE Commission shall promulgate and shall pay to the Tax
4 Commission all excise and other taxes imposed by this state upon
5 such wine in the same manner required of the holder of a nonresident
6 seller license.

7 C. Any self-distributing winemaker within or without this state
8 who shall, in any calendar year, exceed the production volume limit
9 provided for in subsection B of Section 2-105 of this title, shall
10 immediately notify the ABLE Commission of such fact and shall
11 thereafter have the option to sell the wines they produce to every
12 licensed wholesale distributor who desires to purchase the same, on
13 the same price basis and without discrimination, and shall
14 thereafter be allowed to sell such beverages only to such licensed
15 wholesale distributors or cease to sell its products in this state.

16 D. All winemakers who conduct business in this state shall be
17 prohibited from creating, forming or participating in any kind of a
18 cooperative or pooled transportation or distribution arrangement.

19 E. Any licensed winemaker or winery that sells or distributes
20 its wine directly to a retailer, mixed beverage licensee, beer and
21 wine licensee or restaurant in this state after having exceeded the
22 production volume limit provided for in subsection B of Section 2-
23 105 of this title in any calendar year shall be subject to a fine of
24 Ten Thousand Dollars (\$10,000.00). In addition, if the violation is

1 a second or subsequent violation, the winemaker or winery shall not
2 be allowed to transport wine to a retail package store or restaurant
3 for three (3) years from the date of the second or subsequent
4 violation.

5 F. If Section 2 of Article XXVIII A of the Oklahoma Constitution
6 is ruled to be unconstitutional by a court of competent
7 jurisdiction, then any licensed winemaker or winery that then
8 continues to sell or distribute its wine directly to a retail
9 package store, mixed beverage licensee, beer and wine licensee or
10 restaurant in this state shall be subject to a fine of Ten Thousand
11 Dollars (\$10,000.00) per violation.

12 SECTION 2. This act shall become effective November 1, 2019.

13 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
14 February 28, 2019 - DO PASS AS AMENDED
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