

1 **SENATE FLOOR VERSION**

2 April 3, 2023

3 ENGROSSED HOUSE
4 BILL NO. 1682

By: Dempsey of the House

and

5 Coleman of the Senate
6
7

8 An Act relating to alcoholic beverages; amending 37A
9 O.S. 2021, Section 2-103, which relates to a
10 distiller license; modifying where a distiller may
11 sell spirits produced by the license holder;
12 providing that spirits sold by the distiller when
13 mixed with other non-alcoholic substances, shall not
14 be considered cocktails, mixed beverages or mixed
15 drinks and that those substances are not part of the
16 distilling process; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 37A O.S. 2021, Section 2-103, is
19 amended to read as follows:

20 Section 2-103. A. A distiller license shall authorize the
21 holder thereof:

22 1. To manufacture, bottle, package and store spirits on
23 licensed premises;

24 2. To sell spirits in this state to licensed wholesalers and
manufacturers only;

1 3. To sell spirits out of this state to qualified persons; to
2 purchase from licensed distillers and rectifiers in this state, and
3 import spirits from without this state for manufacturing purposes in
4 accordance with federal laws and regulations;

5 4. To serve free samples of spirits produced only by the
6 licensee to visitors twenty-one (21) years of age and older. For
7 purposes of this section, no visitor may sample more than a total of
8 three (3) fluid ounces of spirits per day. The distiller shall
9 restrict the distribution and consumption of spirits samples to an
10 area within the licensed premises designated by the distiller. A
11 current floor plan that includes the designated sampling area shall
12 be on file with the ABLE Commission. No visitor under twenty-one
13 (21) years of age shall be permitted to enter the designated
14 sampling area when samples are being distributed and consumed.
15 Samples of spirits served by a distiller under this section shall
16 not be considered a sale of spirits within the meaning of Article
17 XXVIII-A of the Oklahoma Constitution or Section 1-103 of this
18 title; provided, such samples of spirits shall be considered removed
19 or withdrawn from the distillery for use or consumption within the
20 meaning of Section 5-110 of this title for excise tax determination
21 and reporting requirements;

22 5. To sell spirits produced by the licensee for either on-
23 premises or off-premises consumption to consumers on the licensed
24 distillery premises or in an area controlled by the licensee located

1 contiguous to the licensed distillery premises and at one (1)
2 location controlled by the licensee located not contiguous to the
3 licensed distillery premises. ~~Product~~ Spirits offered for sale by
4 the Oklahoma licensed distiller will have been sold to and shipped
5 to an Oklahoma licensed wine and spirits wholesaler and then made
6 available for purchase by the Oklahoma licensed distiller for sale;
7 and

8 6. To sell spirits at public events such as trade shows or
9 festivals. Products offered for sale by the Oklahoma licensed
10 distiller will have been sold to and shipped to an Oklahoma licensed
11 wine and spirits wholesaler and then made available for purchase by
12 the Oklahoma licensed distiller.

13 B. Spirits sold pursuant to paragraphs 5 and 6 of subsection A
14 of this section shall not exceed fifteen thousand (15,000) gallons
15 per calendar year in combination.

16 C. Spirits sold pursuant to paragraphs 5 and 6 of subsection A
17 of this section, when mixed with other non-alcoholic substances,
18 shall not be considered cocktails, mixed beverages or mixed drinks.
19 Substances used for on premise consumption shall be non-alcoholic in
20 nature and shall not be considered part of the manufacturing
21 process.

22 SECTION 2. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
4 April 3, 2023 - DO PASS
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