TITLE 45: ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES CHAPTER 30: MANUFACTURERS, WHOLESALERS, BREWERS, NONRESIDENT SELLERS AND CLASS B WHOLESALERS

SUBCHAPTER 3. MANUFACTURERS AND WHOLESALERS

RULE IMPACT STATEMENT FOR EMERGENCY RULE [75 O.S. §303(D)(2)]

A. A brief description of the purpose of the proposed rule amendment:

Currently, Section 45:30-3-7 requires wine and liquor wholesalers to post percentage markup prices in the months of January, March, May, July, September and November. The wholesaler must hold the posted prices for a period of two months. The proposed emergency rule would change the post and hold period from two months to one month only for the months of August and September 2018 in advance of the implementation of Article 28A of the Oklahoma Constitution which becomes effective as of October 1, 2018. Under the proposed emergency rule change, a wholesaler would start the posting process on August 15, 2018, for prices that would be in effect for the period of September. Beginning on October 1, 2018, wholesalers would go back to the normal schedule under Section 45:30-3-7 as previously adopted and approved.

B. Classes of persons most likely affected by the emergency rule amendment, including who will bear the cost of the emergency rule and any information on the cost impact received by the agency from any private or public entities:

The Commission does not anticipate and has not received any information on any negative impact of the proposed emergency rule on public entities and does not anticipate any additional cost to wholesalers for the additional posting.

C. A description of the classes of persons who will benefit from the proposed rule:

It is anticipated that if wholesalers lower prices under the additional posting both retailers and consumers would benefit from lower prices on products.

D. A description of the probably economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a list of all fees changes and, whenever possible, a separate justification for each fee change:

There will be no additional fees or costs imposed as a result of the proposed emergency rule and there will be no economic impact on any political subdivision. The proposed rule would allow a wholesaler to post lower prices but not to increase prices. Wholesalers would be minimally affected in that they would have seven postings in 2018 instead of six posting under the permanent rules. Retailers licensed by the Commission could also be affected. While the prices they pay would not be increased, if wholesalers decrease prices, the retailers would be positively affected by the proposed emergency rule. Similarly, consumers would be affected by any lower prices posted by wholesalers.

E. The probable cost and benefits to the agency and to another other agency of the implementation and enforcement of the proposed rule, the source of revenue to be

used for implementation and the enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency.

No cost or monetary benefits are anticipated by the emergency rule.

F. A determination of whether implementation of the proposed rule will have an economic impact on any political subdivision or require their cooperation in implementation or enforcing the rule:

No economic impact is anticipated and the implementation of the emergency rule will not require the cooperation of any political subdivision

G. A determination of whether implementation of the proposed rule would have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.

No adverse impact is anticipated.

H. An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or non-regulatory or less intrusive methods for achieving the purpose of the proposed rule.

The Commission anticipates that any cost to wholesalers will be de minimis and there are no alternative to the additional posting anticipated under the emergency rule.

I. A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risk to public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk.

There is no anticipated impact on health, safety or the environment.

J. A determination of any detrimental effect on the public health, safety and environment if the proposed rule is not implemented:

No adverse impact is anticipated.

K. The date the rule impact statement was prepared and if modified, the date modified. July 9, 2018.