

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 1. ADMINISTRATIVE OPERATIONS**

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

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37.

The proposed permanent rule amendments to Chapter 1, Subchapter 3, Section 45:1-3-1, Section 45:1-3-3 and Section 45:1-3-4 serve to update statutory citations contained therein as well as update the official address of the Alcoholic Beverage Laws Enforcement Commission. The proposed permanent rule amendments to Chapter 1, Subchapter 5, Section 45:1-5-1 clarify who may give an opening statement during an administrative hearing on behalf of the Commission. The proposed permanent amendments to Chapter 1, Subchapter 7, Section 45:1-7-1, Section 45:1-7-2, Section 45:1-7-3 and Section 45:1-7-4 update statutory citations as well as modify the names of various license types changed by the statutes.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These are technical rule amendments that will not have a direct cost impact on individuals or entities.

C. Classes of persons who will benefit from the rule amendments:

These are technical rule amendments that will not have a direct impact on persons or entities.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendment. The technical rule amendments should not have an economic impact on any persons or entities.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No costs or monetary benefits are anticipated at this time.

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The agency does not anticipate compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

These technical rule amendments will not impact general public health, safety or the environment.

I. Detrimental effect on the public health, safety and environment if the rule is not implemented:

See subsection H above.

J. Adverse impact rule amendment have on small business:

No adverse impact on small business is anticipated.

K. Date rule impact statement prepared:

November 30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 10. PROVISIONS AND PENALTIES APPLICABLE TO ALL LICENSEES**

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

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37.

The proposed permanent rule amendments to Chapter 10, Subchapter 3, Section 45:10-3-4 and Section 45:10-3-5 include the newly created licenses for which a notice of intent to seek an alcohol license is to be submitted and the timing of the same. The proposed permanent rule amendments to Chapter 10, Subchapter 3, Section 45:10-3-7 modify the names of licenses and adds Retail Beer, Retail Wine and Beer and Wine licenses to the types of licensees required to license their employees. The proposed permanent amendments to Chapter 10, Subchapter 3, Section 45:10-3-12; Section 45:10-3-13; Section 45:10-3-14; Section 45:10-3-15; Section 45:10-3-16 and Section 45:10-3-17 address dates when alcohol may be received from a Wholesaler; add retail beer, retail wine and beer and wine licensees to those required to make payment before delivery of a product and those prohibited from making payment with an insufficient check; notice to the Commission of an insufficient check; addresses record keeping requirements and the return of merchandise.

The proposed permanent rule amendments to Chapter 10, Subchapter 3, Section 45:10-3-19; Section 45:10-3-20; Section 45:10-3-21; and Section 45:10-3-22 address the obligation of licensees regarding the handling of checks and the prohibition on post-dated checks.

The proposed permanent rule amendments to Chapter 10, Subchapter 3, Section 45:10-3-23; Section 45:10-3-24; Section 45:10-3-25; Section 45:10-3-26 address the prohibition of tie-in sales, the offering or acceptance of inducements, and obtaining alcoholic beverages other than through a bona fide sale.

The proposed permanent rule amendments to Chapter 10, Subchapter 3, Sections 45:10-3-27; Section 45:10-3-28; Section 45:10-3-30; and Section 45:10-3-31 address changes to statutory citation, the names of licensees and deletes obsolete statutory references.

The proposed permanent rule amendments to Chapter 10, Subchapter 3, Section 45:10-3-32 adds the type of licenses prohibited from being located within 300 feet of a church or school and a change in the amount of time an entity claiming a purpose other than the sale of alcohol may operate.

The proposed permanent rule amendments to Chapter 10, Subchapter 5, Section 45:10-5-3 updates statutory citations.

The proposed permanent additions to Chapter 10, Subchapter 5, Appendix A and Appendix B create penalties for newly enacted major and minor violations of new rules within Title 45 and corrects statutory citations.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

The majority of the changes are technical rule amendments that will not have a direct cost impact on individuals or entities. Certain of the rules address new categories of licensees. These include Retail Beer, Retail Wines, and Beer and Wine licensees. Entities seeking these new licenses will be required to file applications for licenses and will bear the cost related to publishing the intent to seek a license and the cost of the license. However, the fees for licenses are addressed in the statutes and are not contained in the proposed rule amendments.

C. Classes of persons who will benefit from the rule amendments:

The proposed rule amendments address the new types of licenses as provided in Amended Title 37A. These new licensees will provide a wider choice to consumers for the purchase of alcoholic beverages. The new type of licenses will also broaden the types of commercial entities that may sell certain types of alcoholic beverages.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendments. The proposed changes to Appendix A and Appendix B address penalties that may be assessed for major or minor violations of the new rules related to the new types of licensees.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No additional significant costs are anticipated at this time from these rules. There is an anticipation of some additional revenues from the fees contained in the state statutes for issuance of new types of licenses.

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No adverse impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The agency does not anticipate compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

These rule amendments will not have a direct impact on general public health, safety or the

environment.

- I. Detrimental effect on the public health, safety and environment if the rule is not implemented:**
See subsection H above.

- J. Adverse impact rule amendment have on small business:**
No adverse impact on small business is anticipated.

- K. Date rule impact statement prepared:**
November 30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 15. EMPLOYEE LICENSES, TRAINING, CERTIFICATION**

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

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37.

The proposed permanent rule amendments to Chapter 15, Subchapter 1, Section 45:15-1-1, Section 45:15-3-1; Section 45:15-3-2; Section 45:15-3-3 and Section 45:15-3-4 address the manner by which the requirements set forth in 37A O.S. §2-121 regarding mandatory training for original applicants for a licenses will be implemented. The changes address the approval of trainers, the minimum curriculum for the training and the method of delivery of the training.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These rule amendments may have a cost impact on individuals seeing to be approved as trainers or on entities providing the training to employees.

C. Classes of persons who will benefit from the rule amendments:

These rule amendments may benefit licensees by helping to ensure that employee licensees are knowledgeable on the law to limit the possible assessment of fines or penalties.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendment. Except as set forth in section C above, the rule amendments should not have an economic impact on any persons or entities.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No costs or monetary benefits are anticipated at this time.

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The agency does not anticipate compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

These rule amendments may promote general public health, safety or the environment by ensure that persons serving alcoholic beverages are fully versed in the restrictions contained in Title 37A of the Oklahoma Statutes pertaining to the sale of alcohol.

I. Detrimental effect on the public health, safety and environment if the rule is not implemented:

See subsection H above.

J. Adverse impact rule amendment have on small business:

No adverse impact on small business is anticipated.

K. Date rule impact statement prepared:

November 30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 20. RETAIL, SPIRIT STORES, MIXED BEVERAGE, CATERERS
SPECIAL EVENTS AND BOTTLE CLUBS**

RULE IMPACT STATEMENT

[75 O.S. §303(D)(2)]

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37.

The proposed permanent rule amendments to Chapter 20, Subchapter 1, Section 45:20-1-1; Chapter 20, Subsection 3, Section 45:20-3-1; Chapter 20, Subchapter 3, Section 45:20-3-2, Section 45:20-3-3, Section 45:20-3-4, Section 45:20-3-5; Section 45:20-3-6; Section 45:20-3-7; Section 45:20-3-8; Section 45:20-3-9; Section 45:20-3-11; Section 45:20-3-12; Section 45:20-3-13 and Section 45:20-3-14 all update and correct names of licenses to reflect the statutory changes. In addition, Section 45:20-3-1 changes the hours of operation permitted by a retail spirit license holder. The proposed permanent rule change to Section 45:20-3-10 is to make clear that a retail spirit shop may sell lottery tickets or scratch off tickets. Section 45:20-3-14 adds a debit card or other similar product as an acceptable form of payment. The proposed permanent rule amendment to Chapter 20, Subchapter 3, Section 45:20-3-15 corrects the name of licenses subject to beer keg sales record requirements.

The proposed permanent rule amendments to Chapter 20, Subchapter 5, Section 45:20-5-6 updates the names of licenses subject to certain payment requirements. The proposed permanent rule amendment to Chapter 20, Subchapter 5, Section 45:20-5-7 removes in its entirety the provision of tax stamps due to a statutory repeal. The proposed permanent rule amendments to Chapter 20, Subchapter 5, Section 45:20-5-8 updates the names of licenses for the purpose of hours they are authorized to pick up product from warehouses. The proposed permanent rule amendment to Chapter 20, Subchapter 5, Section 45:20-5-9 modifies the statutory citation.

The proposed permanent rule amendments to Chapter 20, Subsection 9, Section 45:20-9-1 addresses the statute prohibiting a Retail Beer licensee from selling beer in excess of 8.99% alcohol by volume. The proposed permanent rule amendments to Chapter 20, Subchapter 9, Section 45:20-9-2 address the requirement that delivery of beverages to a Retail Beer licensee must be completed by the Beer Distributor directly to the retail location. The proposed permanent rule amendments to Chapter 20, Subchapter 9, Section 45:20-9-3 prohibits a Retail Beer licensee from selling any other alcoholic beverage without a Retail Wine license. Proposed permanent rule amendment to Chapter 20, Subchapter 9, Section 45:20-9-4 requires all employees of a Retail Beer licensee to hold an employee license. and Section 45:20-9-5 requires the Retail Beer licensee to qualify as a retailer as defined in Title 37A of the Oklahoma statutes.

The proposed permanent rule amendment to Chapter 20, Subchapter 11, Section 45:20-11-1 addresses the restriction on a Retail Wine licensee from selling wine in excess of 14.99% by volume and Section 45:20-11-2 is designed to ensure that delivery of product to Retail Wine licensees is

through a licensed Wine and Spirit Wholesaler and made directly to the retail location. The proposed permanent rule amendments to Chapter 20, Subchapter 11, Section 45:20-11-3 prohibits a Retail Wine licensee from selling any other form of alcohol unless it holds a Retail Beer license while Section 45:20-11-4 requires all employees of a Retail Wine licensee to hold an employee license. and Section 45:20-11-5 requires a Retail Wine licensee to qualify as a retailer as defined in Title 37A of the Oklahoma Statutes.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These rule amendments will impact entities seeking to sell both beer and wine. Any cost would be born by the retailer and not public entities.

C. Classes of persons who will benefit from the rule amendments:

These rule amendments may benefit consumers who are seeking new retail outlets for the purchase of beer and wine products.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendment. The rule amendments should not have an economic impact on a political subdivision.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No costs or monetary benefits are anticipated at this time.

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The agency does not anticipate compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

No impact is anticipated.

- I. Detrimental effect on the public health, safety and environment if the rule is not implemented:**
See subsection H above.

- J. Adverse impact rule amendment have on small business:**
No adverse impact on small business is anticipated.

- K. Date rule impact statement prepared:**
November 30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 25. WINEMAKERS, SELF-DISTRIBUTION, DIRECT SHIPMENT**

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

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37.

The proposed permanent rule amendments to Chapter 25, Subchapter 1, Section 45:25-1-1 addresses the need to designate a tasting area for sale or samples of wine at a licensed winery. The proposed permanent rule amendments to Chapter 25, Subchapter 1, Section 45:25-1-2; Section 45:25-1-3; Section 45:25-1-4 and Section 45:25-1-5 provide definitions of festivals and trade shows and address the designation of areas where products may be sold or tasted; posting requirements and the requirement to notify the Commission of plans to attend festivals and/or trade shows.

The proposed permanent rule amendments to Chapter 25, Subchapter 3, Section 45:25-3-1; Section 45:25-3-2; Section 45:25-3-3; Section 45:25-3-4 and Section 45:23-3-5 address requirements for wineries electing to self-distribute product including selling product without discrimination, price posting procedures, record keeping obligations related to sales and a prohibition of self-distributing wineries pooling resources for the purpose of distribution.

The proposed permanent rule amendments to Chapter 25, Subsection 5, Section 45:25-5-1; Section 45:25-5-2, Section 45:25-5-3; Section 45:25-5-4 and Section 45:25-5-5 address direct shipment of wine within and without the state including obtaining a direct shipper's permit, limiting the amount any winery may ship to an individual each year, labeling requirements for direct shipments and annual reporting requirements on the amount of wine shipped directly by a winery.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These rule amendments may have a cost impact on wineries seeking a permit to allow for direct shipment of product.

C. Classes of persons who will benefit from the rule amendments:

These rule amendments may benefit consumers who are seeking products from out of state wineries or consumers who do not have access to wine merchants.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendment. The rule amendments should not have an economic impact on a political subdivision.

- E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:**
No costs or monetary benefits are anticipated at this time.
- F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:**
No impact is anticipated.
- G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:**
The agency does not anticipate compliance costs.
- H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:**
No impact is anticipated.
- I. Detrimental effect on the public health, safety and environment if the rule is not implemented:**
See subsection H above.
- J. Adverse impact rule amendment have on small business:**
No adverse impact on small business is anticipated.
- K. Date rule impact statement prepared:**
November30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 30. MANUFACTURERS, WINE AND SPIRIT WHOLESALERS
BREWERS, NONRESIDENT SELLERS AND BEER DISTRIBUTORS**

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

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37. Chapter 30 contains the most significant changes in connection with the implementation of new Title 37A of the Oklahoma Statutes.

The proposed permanent rule amendments to Chapter 30, Subchapter 1, Section 45:30-1-1 updates the name of licenses to reflect statutory changes while Section 45:30-1-2 changes the names of licenses in conformance with Title 37A and amends the definition of Beer Distributor to clarify that a licensee is no longer restricted to an individual or partnership.

The proposed permanent rule amendments to Chapter 30, Subchapter 3, Section 45:30-3-1 provides clarity that the anti-discrimination provisions do not apply to a manufacturer designating one wholesaler as authorized by Title 37A and also updates the name of licenses. Proposed permanent rule amendments to Chapter 30, Subchapter 3, Section 45:30-3-2, Section 45:30-3-5 and Section 4:30-3-6 updates both the name of licenses and the statutory citations.

The proposed permanent rule amendment to Chapter 30, Subchapter 3, Section 45:30-3-3 excludes a manufacturer designating one wholesaler from the obligation of providing a pricing list to the Commission while Section 45:30-3-4 excludes a designating manufacturer from the provisions addressing short supply of product. and updates the license name to conform to the statute. The proposed permanent rule amendments to Chapter 30, Subchapter 3, Section 45:30-3-7 updates the price registry requirement of Wine and Spirit Wholesalers, excludes designated products from the requirement, removes language related to delivery charges if a Wholesaler is unable to deliver an item in the top 18 brands and removes language concerning tax stamps which has been rendered obsolete.

The proposed permanent rule amendments to Chapter 30, Subchapter 3, Section 45:30-3-8 updates the name of licenses required to publish a price list to the retail level while Section 45:30-3-9 updates license names and statutory citations and clarifies that Wine and Spirit Wholesalers are no longer limited to a single warehouse in the state. The proposed permanent rule amendment to Chapter 30, Subchapter 3, Section 45:30-3-10 totally removes the requirement that a Wine and Spirit Wholesaler has a 15 day supply of the top 18 brands and exempts a designating Wholesaler and designated products from the discrimination, collusion and sequential order filling provisions.

The proposed permanent rule amendments for Chapter 30, Subchapter 3,; Section 45:30-3-11, Section 45:30-3-12 and Section 45:30-3-13 update names of licenses permitted to close out dead inventory, to keep records of sales, and to keep records of expenditures. The proposed permanent rule amendments to Chapter 30, Subchapter 3, Section 45:30-3-14 and Section 45:30-3-15 change the name of licenses required to keep separate records and those allowed to complete a sale to

another wholesaler. Sections 45:30-3-16 updates and corrects the names of licenses prohibited from employing part time agents while Section 45:30-3-17 and Section 45:30-3-18 both update and correct names of licenses prohibited from engaging in business with a suspended manufacturer as well as those allowed to use a carrier to reflect statutory changes.

The proposed permanent rule amendment to Chapter 30, Subchapter 5, Section 45:30-5-1 completely removes the prior provisions regarding discrimination by a brewer between wholesalers in light of the mandatory statutory provision requiring a brewer to designate a distributor for a particular territory. The proposed permanent rule amendments to Section 45:30-5-2 modifies the names of licenses and clarifies when a label must be submitted to the Commission. Sections 45:30-5-3, Section 45:30-5-4, Section 45:30-5-5, Section 45:30-5-7, Section 45:30-5-8 and Section 45:30-5-12 of Subchapter 5 are totally removed as no longer required in light of the provisions in Title 37A of the Oklahoma statutes. The proposed permanent rule amendment to Chapter 30, Subchapter 5, Section 45:30-5-6 modifies the names of licenses and limits the prohibition on discrimination by a distributor within a county. The proposed permanent rule amendment to Chapter 30, Subchapter 5, Section 45:30-5-9, Section 45:30-5-10 and Section 45:30-5-11 revise the name of licenses to reflect the state statute.

The proposed permanent rule amendments to Chapter 30, Subchapter 5, Section 45:30-5-13; Section 45:30-5-14, Section 45:30-15, Section 45:30-5-16, Section 45:30-5-17 and Section 45:30-5-18 correct license names to conform to Title 37A of the Oklahoma statutes. The proposed permanent rule amendment to Chapter 30, Subchapter 5, Section 45:30-5-19, Section 45:30-5-20 and Section 45:30-5-21 address requirements for brewers attending trade shows and festivals including designation of location of sale of beverages, signage, addresses contiguous space of multiple brewers and restrictions to sales to only in designated premises and the obligation to provide Commission with a monthly list of planned festivals or trade shows.

The proposed permanent rule amendments to Chapter 30, Subchapter 5, Section 45:30-5-22 addresses the procedure for manufacturers and distributors to submit distribution agreements and territory maps to the Commission; Section 45:30-5-23 provides a procedure for registration of a brand with the Commission; Section 45:30-5-24 addresses when sales by distributors outside of a designated territory are permitted and Section 45:30-5-25 provides reporting requirements in the event a distribution agreement is terminated.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These rule amendments are designed to implement the provisions of Title 37A following the passage of State Question 792 that repealed Article 28 of the Oklahoma Constitution and replaced it with Article 28A. Following the passage of State Question 792, the Oklahoma Legislature adopted Title 37A of the Oklahoma Statutes to replace former Title 37.

The Retail Liquor Association of Oklahoma filed a challenge to Article 28A of the Oklahoma Constitution alleging that it violated the Equal Protection Clause. The suit named the Commission and A. Keith Burt, Director as Defendants. On August 24, 2017, the Honorable Robin Cauthron of the United States District Court for the Western District of Oklahoma granted summary judgment in favor of the Commission in the matter of *Retail Liquor Ass'n of Okla. v. Okla. Alcoholic Laws*

C. Classes of persons who will benefit from the rule amendments:

These rule amendments may benefit consumers who are seeking new retail outlets for the purchase of beer and wine products.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendment. The rule amendments should not have an economic impact on a political subdivision.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No costs or monetary benefits are anticipated at this time. The Commission sought funding from the Legislature to hire six additional agents to assist in the implementation of the rules. However, that funding has not been provided as of this time

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The Commission does not anticipate significant compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

No impact is anticipated.

I. Detrimental effect on the public health, safety and environment if the rule is not implemented:

See subsection H above.

J. Adverse impact rule amendment have on small business:

No adverse impact on small business is anticipated from these rules which are designed to implement the Constitutional provision which have been upheld by the federal court.

K. Date rule impact statement prepared:
November 30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 35. EVENTS, AIRLINE/RAILROAD, HOTEL/MOTEL**

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

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37. All of the proposed rules in Chapter 35 are new.

The proposed permanent rule addition to Chapter 35, Subchapter 1, Section 45:35-1-1 creates an application process for a special event license. Section 45:35-1-2 provides that this license is available only in counties that approve the sale of alcohol by the drink. The proposed permanent rule additions to Chapter 35, Subchapter 1, Section 45:35-1-3 and Section 45:35-1-4 requires an applicant for a special event license to provide proof of insurance and a diagram of the area sought to be licensed and where alcohol will be sold. Proposed permanent rule additions to Chapter 35, Subchapter 1, Section 45:35-1-5 requires a special event licensee holding an event where there are other open businesses to use barriers/fencing to designate the event premise area while Section 45:35-1-6 addresses designated bar areas and signage requirements. The proposed permanent rule addition to Chapter 35, Subchapter 1, Section 45:35-1-7 makes it clear that a special event licensee may only sell for on-premise consumption.

Subchapter 3 of Chapter 35 addresses public event licenses. The requirements of Section 45:35-3-1 through Section 45:35-3-7 are the same as for a special event license.

Subchapter 5 of Chapter 35 provides rules for a charitable event license. The provisions of Sections 45:35-5-1; Section 45:35-5-2; Section 45:35-5-4 and Section 45:35-5-5 are similar to those applicable to special event and public event licenses. Section 45:35-5-3 allows a licensee to purchase alcoholic beverages from wholesalers, retailers or receive donated alcohol. Section 45:35-5-6 requires the licensee to provide the Commission with a diagram of the licensee's premises.

The proposed permanent rule additions to Chapter 35, Subchapter 7, Section 45:35-7-1 reiterates that airlines seeking licenses must first make application and pay an application fee. Section 45:35-7-2 allows the licensee to serve alcoholic beverages in flights over the entire state and store sealed beverages at airports. Section 45:35-7-3 reiterates the statutory assumption that all alcohol purchased by the airline licensee is for consumption outside of the State and is exempt from excise tax.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These rule additions will assist entities in these categories in understanding the requirements to attain a license and to comply with the terms of the license.

C. Classes of persons who will benefit from the rule amendments:

These rule amendments may benefit consumers who desire the ability to have alcoholic beverages served at private or charitable events and will benefit charitable entities by making clear that they may receive donations of alcohol.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule additions. The rule amendments should not have an economic impact on any class of persons or on a political subdivision.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No costs or monetary benefits are anticipated at this time.

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The agency does not anticipate compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

No impact is anticipated.

I. Detrimental effect on the public health, safety and environment if the rule is not implemented:

See subsection H above.

J. Adverse impact rule amendment have on small business:

No adverse impact on small business is anticipated.

K. Date rule impact statement prepared:

November 30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 40. TRANSPORTATION, CONTAINERS AND
CHANGE IN STATUS OR LOCATION**

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

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

During the 2016 general election, State Question 792 was passed by a vote of the people, repealing Article 28 of the Oklahoma Constitution and replacing it with Article 28A, effective October 1, 2018. During the 2016 legislative session, Senate Bill 383 was passed and signed into law by Governor Mary Fallin. Senate Bill 383 effectively repealed Title 37 of the Oklahoma Statutes and replaced it with Title 37A. In addition, Senate Bill 411 and Senate Bill 646 of the 2017 Legislative Session provided additional changes to Title 37.

The proposed permanent rule amendments to Chapter 40, Subchapter 3, Section 45:40-3-1 removes the phrase “light beer” as this distinction is no longer provided for in Title 37A of the Oklahoma statutes. It also updates the names of licenses per statutory changes. The proposed permanent rule amendment to Section 45:40-3-2 updates the statutory citations while Sections 45:40-3-3, Section 45:40-3-4 and Section 45:40-3-5 update the names of licenses to reflect those in Title 37A of the Oklahoma statutes.

The proposed permanent rule amendments to Chapter 40, Subchapter 5, Section 45:40-5-1 Section 45:40-5-4 serve to updates the names of licenses as reflected in the statute while the proposed changes to Subchapter 7 of Chapter 40, Section 45:40-7-1; Section 45:40-7-2 and Section 45:40-7-3 are intended to update the names of licenses to match those in Title 37A of the Oklahoma statutes. The proposed permanent rule amendment to Chapter 40, Subchapter 7, Section 45:40-7-5 clarifies which Commission employees have the authority to grant temporary permission for a licensee to alter a licensed premise.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These are technical rule amendments that will not have a direct cost impact on individuals or entities.

C. Classes of persons who will benefit from the rule amendments:

These are technical rule amendments that will not have a direct impact on persons or entities.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendment. The technical rule amendments should not have an economic impact on any persons or entities.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce

the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No costs or monetary benefits are anticipated at this time.

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The agency does not anticipate compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

These technical rule amendments will not impact general public health, safety or the environment.

I. Detrimental effect on the public health, safety and environment if the rule is not implemented:

See subsection H above.

J. Adverse impact rule amendment have on small business:

No adverse impact on small business is anticipated.

K. Date rule impact statement prepared:

November 30, 2017

**TITLE 45. ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION RULES
CHAPTER 60. TOBACCO**

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

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

The proposed permanent rule amendment to Chapter 60 addresses the hearing procedures to be used in connection with alleged violations of the Prevention of Youth Access to Tobacco Act. The proposed change to Chapter 60, Subchapter 3, Section 45:60-3-3 is designed to provide a procedure by which the Commission will conduct administrative hearings concerning alleged violations of the Act. This new procedure would be in lieu of the Commission's prior practice of utilizing the hearing procedures provided in Chapter 10 concerning alleged violations of the Alcoholic Beverage Control Act or in Chapter 50 pertaining to alleged violations of the Charity Game Act.

A Notice of Rulemaking Intent has been submitted for publication.

B. Classes of persons most likely affected by the rule amendments, including who will bear costs and cost impacts received from private and public entities:

These new procedure would be applicable to any vendor who is alleged to have violated the Prevention of Youth Access to Tobacco Act. The Commission does not anticipate any costs over those incurred under the procedures previously used in connection with alleged violations of the Act.

C. Classes of persons who will benefit from the rule amendments:

These is a technical rule amendment that will not have a direct impact on persons or entities.

D. Probable economic impact of the rule amendment upon affected classes of persons or political subdivisions, including fees changes and, whenever possible, a justification for each change:

There are no new fees or fee changes included in these proposed rule amendment. The technical rule amendment should not have an economic impact on any persons or entities.

E. Probable costs and benefits, to this or any other agency, of the implementation and enforcement of the rule amendment, the source of revenue to implement and enforce the rule, and the anticipated effect on state revenues, including projected net loss or gain if it can be projected:

No costs or monetary benefits are anticipated at this time.

F. Economic impact on political subdivisions or their cooperation required in implementing or enforcing the rule amendments:

No impact is anticipated.

G. Measures taken by the agency to minimize compliance costs. Availability of a less costly or non regulatory method or less intrusive method for achieving the purpose of the rule amendments:

The agency does not anticipate compliance costs.

H. Effect of the rule amendment on public health, safety and environment, and, if designed to do so, explain the risk to public health, safety or environment the rule is designed to reduce and to what extent the risk will be reduced:

These rule amendments will assist the Commission in addressing alleged violations of the Prevention of Youth Access to Tobacco Act in a timely manner which will assist in promoting the general public health..

I. Detrimental effect on the public health, safety and environment if the rule is not implemented:

See subsection H above.

J. Adverse impact rule amendment have on small business:

No adverse impact on small business is anticipated.

K. Date rule impact statement prepared:

November 30, 2017