

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 531

6 By: Seifried

7 COMMITTEE SUBSTITUTE

8 An Act relating to alcoholic beverages; amending 37A
9 O.S. 2021, Sections 2-143, 2-144, 2-147, 3-119, 3-
10 120, and 3-121, which relate to licensees; modifying
11 requirements for information to be submitted to the
12 Alcoholic Beverage Laws Enforcement (ABLE) Commission
13 by certain licensees; modifying grounds for refusal
14 of certain licenses; modifying persons prohibited
15 from taking certain action; limiting certain rights
16 and ownership interests of certain persons; updating
17 statutory language; updating statutory references;
18 and providing an effective date.

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

20 SECTION 1. AMENDATORY 37A O.S. 2021, Section 2-143, is
21 amended to read as follows:

22 Section 2-143. A. Any corporation applying for a mixed
23 beverage, beer and wine, caterer, public event, beer distributor, or
24 bottle club license, or as an equity partner in a wine and spirits
25 wholesaler, shall submit to the ~~ABLE~~ Alcoholic Beverage Laws
26 Enforcement (ABLE) Commission the following:

1 1. A certificate of good standing from the ~~office~~ Office of the
2 Secretary of State;

3 2. A list of all corporate officers, directors, executive
4 committee members, or members of a similar governing body and their
5 addresses, except for a charitable organization exempt from taxation
6 under Section 501(c)(3), (4), (5), (6), (7), (8), (9), (10), or (19)
7 of the ~~United States~~ Internal Revenue Code of 1986, as amended,
8 which shall only be required to furnish its corporate officers; and

9 3. A list of all stockholders owning more than fifteen percent
10 (15%) ~~or more~~ of the stock and their addresses.

11 B. Any corporation applying for a retail wine or retail beer
12 license shall submit to the ABLE Commission the following:

13 1. A certificate of good standing from the ~~office~~ Office of the
14 Secretary of State;

15 2. A list of all corporate officers and directors, except for a
16 charitable organization exempt from taxation under Section
17 501(c)(3), (4), (5), (6), (7), (8), (9), (10), or (19) of the ~~United States~~
18 Internal Revenue Code of 1986, as amended, which shall only be
19 required to furnish its corporate officers; and

20 3. A list of all stockholders owning ~~fifty one percent (51%) or~~
21 more than fifteen percent (15%) of the stock.

22 C. A corporate licensee shall notify the ABLE Commission in
23 writing of any change in the officers or directors of the
24 corporation or in the principal managers of premises licensed to the

1 corporation and shall pay a fee of One Hundred Dollars (\$100.00) for
2 each notification of change. Provided, service organizations which
3 are exempt under Section 501(c)(8), (10), or (14) of the Internal
4 Revenue Code of 1986, as amended, shall be exempt from such fee.

5 D. A corporate licensee shall notify the ABLE Commission any
6 time a person, any type of partnership, limited liability company,
7 or other entity acquires the percentages specified in paragraph 3 of
8 subsection A or B of this section, or more, of the stock of the
9 corporation. Such notification shall be within thirty (30) days of
10 acquisition, and the corporation shall pay a fee of One Hundred
11 Dollars (\$100.00) for each notification of change.

12 E. The ABLE Commission may disapprove a change of officers,
13 directors, or principal managers or the acquisition of more than the
14 percentages specified in paragraph 3 of subsection A or B of this
15 section of the stock in a licensed corporation if the ABLE
16 Commission feels that such change would materially affect the
17 conditions under which the license was issued, such that the license
18 would not have been issued had such change been in existence at the
19 time of the original application. If such disapproval occurs, the
20 ABLE Commission shall notify the licensee in writing and in the case
21 of a publicly traded corporation, allow a reasonable time for the
22 licensee to remove such officer, director, or manager or for the
23 stockholder to divest himself or herself of any stock held in excess
24 of the percentages specified in paragraph 3 of subsection A or B of

1 this section; provided, a reasonable time may not exceed a ninety-
2 day period following notification of denial by the ABLE Commission.
3 Failure to comply with the provisions of this subsection may result
4 in revocation or suspension of such license.

5 F. Any person who was an officer or director or who has owned
6 the percentages specified in paragraph 3 of subsection A or B of
7 this section or more of the stock in a corporation which has been
8 denied a license or had a license revoked or suspended pursuant to
9 the provisions of the Oklahoma Alcoholic Beverage Control Act shall
10 not own stock in any other corporation seeking a license pursuant to
11 the provisions of the Oklahoma Alcoholic Beverage Control Act for a
12 period of twelve (12) months from the date the license was revoked
13 or suspended.

14 G. Any person who was a manager or a member owning more than
15 fifteen percent (15%) of the total membership interests of a limited
16 liability company which has been denied a license or had a license
17 revoked or suspended pursuant to the provisions of the Oklahoma
18 Alcoholic Beverage Control Act shall not own stock in any
19 corporation seeking a license pursuant to the provisions of the
20 Oklahoma Alcoholic Beverage Control Act for a period of twelve (12)
21 months from the date the license was revoked or suspended.

22 SECTION 2. AMENDATORY 37A O.S. 2021, Section 2-144, is
23 amended to read as follows:

24

1 Section 2-144. A. Any limited liability company, formed as
2 provided for in the Oklahoma Limited Liability Company Act, may
3 apply for a mixed beverage, beer and wine, bottle club, caterer,
4 public event, beer distributor, retail wine, or retail beer license
5 issued pursuant to the Oklahoma Alcoholic Beverage Control Act. Any
6 limited liability company applying for a license shall submit to the
7 ~~ABLE~~ Alcoholic Beverage Laws Enforcement (ABLE) Commission, the
8 following:

- 9 1. A ~~Certificate~~ certificate of ~~Good Standing~~ good standing
10 from the Office of the Secretary of State;
- 11 2. The ~~Articles~~ articles of ~~Organization~~ organization with all
12 amendments and corrections filed with the Office of the Secretary of
13 State with proof that same has been filed in accordance with the
14 Oklahoma Limited Liability Company Act;
- 15 3. The name and address of the resident agent;
- 16 4. The name and address of the manager;
- 17 5. The operating agreement;
- 18 6. A current list of the full name, social security number, and
19 address of each member owning more than fifteen percent (15%) of the
20 total membership interests; and
- 21 7. A copy of the issued ~~Certificate~~ certificate of ~~Membership~~
22 ~~Interest~~ membership interest for each member.

23 B. A limited liability company licensee shall notify the ABLE
24 Commission in writing of any change in the manager of the licensed

1 company within thirty (30) days of the change and shall pay a fee of
2 One Hundred Dollars (\$100.00) for each notification of change.

3 C. A limited liability company shall notify the ABLE Commission
4 in writing any time a membership is assigned or members are added or
5 disassociated of any membership interest of more than fifteen
6 percent (15%) of the total membership interest within thirty (30)
7 days of the change. The limited liability company shall pay a fee
8 of One Hundred Dollars (\$100.00) for each notification of change.

9 D. The ABLE Commission may disapprove a change of manager or
10 new membership in a licensed liability company if the ABLE
11 Commission feels that such change would materially affect any
12 conditions under which the license was issued, such that the license
13 would not have been issued had such change been in existence at the
14 time of the original application. If such disapproval occurs, the
15 ABLE Commission shall notify the licensee in writing and allow a
16 reasonable time for the licensee to remove such manager or for a
17 member to be disassociated from the company; provided, a reasonable
18 time shall not exceed a ninety-day period following notification of
19 denial by the ABLE Commission. Failure to comply with the
20 provisions of this subsection may result in revocation or suspension
21 of such license.

22 E. Any person who has been a licensee, a partner in a license,
23 an officer, director, or a stockholder owning more than fifteen
24 percent (15%) ~~or more stockholder~~ of the stock in a corporation

1 holding a license revoked or suspended, pursuant to the provisions
2 of the Oklahoma Alcoholic Beverage Control Act, shall not serve as a
3 manager or be a member owning more than fifteen percent (15%) of the
4 total membership interests in a limited liability company seeking a
5 license pursuant to the provisions of the Oklahoma Alcoholic
6 Beverage Control Act for a period of twelve (12) months from the
7 date the license was revoked or suspended.

8 F. Any person who has been a manager, member owning more than
9 fifteen percent (15%) of the total membership interests, or
10 participant in any business entity which was a manager or member
11 owning more than fifteen percent (15%) of the total membership
12 interests of a limited liability company which has been denied a
13 license or ~~has had~~ a license revoked or suspended, pursuant to the
14 provisions of the Oklahoma Alcoholic Beverage Control Act shall not
15 serve as a manager or member in a limited liability company seeking
16 a license pursuant to the provisions of the Oklahoma Alcoholic
17 Beverage Control Act for a period of twelve (12) months from the
18 date the license was revoked or suspended.

19 G. Any person who has been convicted of a felony for which a
20 pardon has not been granted shall not be elected as a manager ~~or be~~
21 ~~a member~~ of a limited liability company.

22 SECTION 3. AMENDATORY 37A O.S. 2021, Section 2-147, is
23 amended to read as follows:

24

1 Section 2-147. A. The ~~ABLE~~ Alcoholic Beverage Laws Enforcement
2 (ABLE) Commission shall refuse to issue a mixed beverage, beer and
3 wine, bottle club, public event, caterer, retail wine, or retail
4 beer license, either on an original application or a renewal
5 application, if it has reasonable grounds to believe and finds any
6 of the following to be true:

7 1. That the applicant, in the case of a natural person, is
8 under twenty-one (21) years of age or has been convicted of a felony
9 within fifteen (15) years prior to the application date;

10 2. That the applicant, in the case of a corporation, has a
11 stockholder who owns more than fifteen percent (15%) ~~or more~~ of the
12 stock, an officer, or a director who is under twenty-one (21) years
13 of age;

14 3. That the applicant, in the case of any type of partnership,
15 has a limited partner who owns more than fifteen percent (15%) of
16 the total partnership interests or has any general partner who is
17 under twenty-one (21) years of age;

18 4. That the applicant, in the case of a limited liability
19 company, has a member who owns more than fifteen percent (15%) of
20 the total membership interests or has a manager ~~or member~~ who is
21 under twenty-one (21) years of age;

22 5. That the applicant ~~or any type of partner,~~ in the case of
23 any type of partnership, has a limited partner owning more than
24 fifteen percent (15%) of the total partnership interests or has a

1 general partner who has been convicted of a felony within fifteen
2 (15) years prior to the application date;

3 6. That the applicant, in the case of a corporation, has a
4 stockholder owning more than fifteen percent (15%) of the stock, an
5 officer, or a director who has been convicted of a felony within
6 fifteen (15) years prior to the application date;

7 7. That the applicant, in the case of a limited liability
8 company, has ~~a manager or~~ a member owning more than fifteen percent
9 (15%) of the total membership interests or a manager who has been
10 convicted of a felony within fifteen (15) years prior to the
11 application date, ~~and such manager or member has an ownership~~
12 ~~interest greater than fifty percent (50%);~~

13 8. That the applicant has made false statements to the ABLE
14 Commission;

15 9. That the applicant is not the legitimate owner of the
16 business for which a license is sought or that other persons have
17 undisclosed ownership interests in the business;

18 10. That the applicant or any partner, within twelve (12)
19 months after being issued a license, either on an original
20 application or a renewal application, has violated any provision of
21 the Oklahoma Alcoholic Beverage Control Act or rule of the ABLE
22 Commission promulgated pursuant hereto. Provided, however, that if
23 the ABLE Commission, during the twelve-month period, has suspended
24 any license sought to be renewed, such renewal application may be

1 approved if the term of the suspension has been completed and the
2 applicant has complied with any special conditions imposed in
3 connection with the suspension;

4 11. That the applicant is not the real party in interest, or
5 intends to carry on the business authorized by the license as the
6 agent of another;

7 12. That the applicant is a person who appoints or is a law
8 enforcement official or is an employee of the ABLE Commission;

9 13. That the applicant does not own or have a written lease for
10 the premises for which a license is sought; or

11 14. That the applicant or any partner, spouse, employee, or
12 other person affiliated with the applicant is not in compliance with
13 the tax laws of this state as required in Article ~~XXVIII~~ XXVIII-A
14 of the Oklahoma Constitution.

15 B. 1. The ABLE Commission may refuse to issue a mixed
16 beverage, beer and wine, bottle club, public event, or caterer
17 license, either on an original application or a renewal application,
18 if it has reasonable grounds to believe and finds any of the
19 following to be true:

20 a. that the applicant ~~or any type of partner,~~ in the case
21 of a natural person, has been convicted of a felony
22 described in paragraph 2 of this subsection within
23 twenty-five (25) years of the application date,
24

1 b. that the applicant, in the case of any type of
2 partnership, has a limited partner owning more than
3 fifteen percent (15%) of the total partnership
4 interests or a general partner who has been convicted
5 of a felony described in paragraph 2 of this
6 subsection within twenty-five (25) years of the
7 application date,

8 ~~b.~~ c. that the applicant, in the case of a corporation,
9 has a stockholder owning more than fifteen percent
10 (15%) of the stock, an officer, or a director who has
11 been convicted of a felony described in paragraph 2 of
12 this subsection within twenty-five (25) years of the
13 application date, and

14 ~~e.~~ d. that the applicant, in the case of a limited
15 liability company, has ~~a manager or~~ a member owning
16 more than fifteen percent (15%) of the total
17 membership interests or a manager who has been
18 convicted of a felony described in paragraph 2 of this
19 subsection within twenty-five (25) years prior to the
20 application date, ~~who has been convicted of a felony~~
21 ~~described in paragraph 2 of this subsection.~~

22 2. The provisions of this section shall apply to the following
23 felony offenses:

24 a. an alcohol-related offense,

1 b. a violent crime as defined in Section 142A-1 of Title
2 21 of the Oklahoma Statutes, or

3 c. a crime which would subject a person to registration
4 pursuant to the Sex Offenders Registration Act.

5 SECTION 4. AMENDATORY 37A O.S. 2021, Section 3-119, is
6 amended to read as follows:

7 Section 3-119. It shall be unlawful for any manufacturer,
8 brewer, wine and spirits wholesaler, beer distributor, or person
9 authorized to sell alcoholic beverages to a wholesaler, or any
10 employee, officer, director, stockholder owning more than fifteen
11 percent (15%) ~~or more~~ of the stock, limited partner owning more than
12 fifteen percent (15%) of the total partnership interests of a
13 limited partnership, limited liability company member owning more
14 than fifteen percent (15%) of the total membership interests of a
15 limited liability company, any type of general partner, managing
16 partner, manager, member, or agent thereof, to directly or
17 indirectly:

18 1. Have any financial interest in any premises upon which any
19 alcoholic beverage is sold at retail or in any business connected
20 with the retailing of alcoholic beverages; provided, nothing in ~~this~~
21 ~~act~~ Section 1-101 et seq. of this title shall prohibit the operation
22 of a mixed beverage licensee, beer and wine licensee, or caterer
23 licensee by an entity which has common owners with the holder of a
24 small brewer license or a brewpub license;

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

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

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

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

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

1 public event, or special event licensee to such
2 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.

21 SECTION 5. AMENDATORY 37A O.S. 2021, Section 3-120, is
22 amended to read as follows:

23 Section 3-120. No mixed beverage, beer and wine, caterer,
24 public event, or bottle club licensee, general partner in any type

1 of partnership, limited partner owning more than fifteen percent
2 (15%) of the total partnership interests in any type of limited
3 partnership, manager or member of a limited liability company owning
4 more than fifteen percent (15%) of the total membership interest of
5 a limited liability company, officer, director, or stockholder of
6 any corporate licensee owning more than fifteen percent (15%) of the
7 stock shall have any right, title, lien, claim, or interest,
8 financial or otherwise, in, upon, or to the premises, equipment,
9 business, or merchandise of any package store, beer distributor,
10 brewer, manufacturer, or wholesaler. The provisions of this section
11 shall not prohibit a person who is an officer or director of a
12 fraternal or veteran's organization which is a tax exempt
13 organization under Section 501(c)(8), (10), or (19) of the Internal
14 Revenue Code of 1986, as amended, and which holds a license issued
15 by the ~~ABLE~~ Alcoholic Beverage Laws Enforcement (ABLE) Commission
16 from having a right, title, lien, claim, or interest in the
17 premises, equipment, business, or merchandise of a package store.

18 SECTION 6. AMENDATORY 37A O.S. 2021, Section 3-121, is
19 amended to read as follows:

20 Section 3-121. No manufacturer, brewer, wine and spirits
21 wholesaler, beer distributor, general partner in any type of
22 partnership, limited partner owning more than fifteen percent (15%)
23 of the total partnership interests in any type of limited
24 partnership, manager or member of a limited liability company owning

1 more than fifteen percent (15%) of the total membership interest of
2 a limited liability company, or officer, director, or stockholder of
3 any nonresident seller, brewer, or manufacturer licensee, owning
4 more than fifteen percent (15%) of the stock shall have any right,
5 title, claim, or interest, financial or otherwise, in, upon, or to
6 the premises, equipment, business, or merchandise of any mixed
7 beverage, beer and wine, caterer, public event, or bottle club
8 licensee.

9 SECTION 7. This act shall become effective November 1, 2025.

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