

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 531

By: Seifried

AS INTRODUCED

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

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

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

Section 2-143. A. Any corporation applying for a mixed beverage, beer and wine, caterer, public event, beer distributor or bottle club, or as an equity partner in a wine and spirits wholesaler, shall submit to the ABLE Commission the following:

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

2. A list of all corporate officers, directors, executive committee members or members of a similar governing body and their

1 addresses, except for a charitable organization exempt from taxation
2 under Section 501(c)(3), (4), (5), (6), (7), (8), (9), (10), or (19) of the
3 United States Internal Revenue Code, which shall only be required to
4 furnish its corporate officers; and

5 3. A list of all stockholders owning ~~fifteen percent (15%)~~
6 forty-nine percent (49%) or more of the stock and their addresses.

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

9 1. A certificate of good standing from the office of the
10 Secretary of State;

11 2. A list of all corporate officers and directors, except for a
12 charitable organization exempt from taxation under Section
13 501(c)(3), (4), (5), (6), (7), (8), (9), (10), or (19) of the United States
14 Internal Revenue Code, which shall only be required to furnish its
15 corporate officers; and

16 3. A list of all stockholders owning fifty-one percent (51%) or
17 more of the stock.

18 C. A corporate licensee shall notify the ABLE Commission in
19 writing of any change in the officers or directors of the
20 corporation or in the principal managers of premises licensed to the
21 corporation and shall pay a fee of One Hundred Dollars (\$100.00) for
22 each notification of change. Provided, service organizations which
23 are exempt under Section 501(c)(8), (10), or (14) of the Internal
24 Revenue Code shall be exempt from such fee.

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

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

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

10 G. Any person who was a manager or a member owning forty-nine
11 percent (49%) or more of the total membership interests of a limited
12 liability company which has been denied a license or had a license
13 revoked or suspended pursuant to the provisions of the Oklahoma
14 Alcoholic Beverage Control Act shall not own stock in any
15 corporation seeking a license pursuant to the provisions of the
16 Oklahoma Alcoholic Beverage Control Act for a period of twelve (12)
17 months from the date the license was revoked or suspended.

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

20 Section 2-144. A. Any limited liability company, formed as
21 provided for in the Limited Liability Company Act, may apply for a
22 mixed beverage, beer and wine, bottle club, caterer, public event,
23 beer distributor, retail wine or retail beer license issued pursuant
24 to the Oklahoma Alcoholic Beverage Control Act. Any limited
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1 liability company applying for a license shall submit to the ABLE
2 Commission, the following:

3 1. A Certificate of Good Standing from the Office of the
4 Secretary of State;

5 2. The Articles of Organization with all amendments and
6 corrections filed with the Office of the Secretary of State with
7 proof that same has been filed in accordance with the Limited
8 Liability Company Act;

9 3. The name and address of the resident agent;

10 4. The name and address of the manager;

11 5. The operating agreement;

12 6. A current list of the full name, social security number and
13 address of each member owning forty-nine percent (49%) or more of
14 the total membership interests; and

15 7. A copy of the issued Certificate of Membership Interest for
16 each member.

17 B. A limited liability company licensee shall notify the ABLE
18 Commission in writing of any change in the manager of the licensed
19 company within thirty (30) days of the change and shall pay a fee of
20 One Hundred Dollars (\$100.00) for each notification of change.

21 C. A limited liability company shall notify the ABLE Commission
22 in writing any time a membership is assigned or members are added or
23 disassociated within thirty (30) days of the change. The limited
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1 liability company shall pay a fee of One Hundred Dollars (\$100.00)
2 for each notification of change.

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

16 E. Any person who has been a licensee, a partner in a license,
17 an officer, director or ~~fifteen percent (15%)~~ a limited partner
18 owning forty-nine percent (49%) or more stockholder of a corporation
19 holding a license revoked or suspended, pursuant to the provisions
20 of the Oklahoma Alcoholic Beverage Control Act, shall not serve as a
21 manager or be a member owning forty-nine percent (49%) or more of
22 the total membership interests in a limited liability company
23 seeking a license pursuant to the provisions of the Oklahoma
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1 Alcoholic Beverage Control Act for a period of twelve (12) months
2 from the date the license was revoked or suspended.

3 F. Any person who has been a manager, member owning forty-nine
4 percent (49%) or more of the total membership interests, or
5 participant in any business entity which was a manager or member
6 owning forty-nine percent (49%) or more of the total membership
7 interests of a limited liability company which has been denied a
8 license or has a license revoked or suspended, pursuant to the
9 provisions of the Oklahoma Alcoholic Beverage Control Act shall not
10 serve as a manager or member in a limited liability company seeking
11 a license pursuant to the provisions of the Oklahoma Alcoholic
12 Beverage Control Act for a period of twelve (12) months from date
13 the license was revoked or suspended.

14 G. Any person who has been convicted of a felony for which a
15 pardon has not been granted shall not be elected as a manager or be
16 a member of a limited liability company.

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

19 Section 2-147. A. The ABLE Commission shall refuse to issue a
20 mixed beverage, beer and wine, bottle club, public event, caterer,
21 retail wine or retail beer license, either on an original
22 application or a renewal application, if it has reasonable grounds
23 to believe and finds any of the following to be true:

1 1. That the applicant, in the case of a natural person, is
2 under twenty-one (21) years of age;

3 2. That the applicant, in the case of a corporation, has a
4 stockholder who owns ~~fifteen percent (15%)~~ forty-nine percent (49%)
5 or more of the stock, an officer, or a director who is under twenty-
6 one (21) years of age;

7 3. That the applicant, in the case of any type of partnership,
8 has a limited partner who owns forty-nine percent (49%) or more of
9 the total partnership interest, or has any partner who is under
10 twenty-one (21) years of age;

11 4. That the applicant, in the case of a limited liability
12 company, has a member who owns forty-nine percent (49%) or more of
13 the total membership interests, or has a manager or member who is
14 under twenty-one (21) years of age;

15 5. That the applicant or any type of partner or limited partner
16 owning forty-nine percent (49%) or more of the total partnership
17 interests has been convicted of a felony within fifteen (15) years
18 prior to the application date;

19 6. That the applicant, in the case of a corporation, has a
20 stockholder owning ~~fifteen percent (15%)~~ forty-nine percent (49%) of
21 the stock, an officer or a director who has been convicted of a
22 felony within fifteen (15) years prior to the application date;

23 7. That the applicant, in the case of a limited liability
24 company, has a manager or a member owning forty-nine percent (49%)

1 or more of the total membership interests who has been convicted of
2 a felony within fifteen (15) years prior to the application date,
3 and such manager or member has an ownership interest greater than
4 fifty percent (50%);

5 8. That the applicant has made false statements to the ABLE
6 Commission;

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

10 10. That the applicant or any partner, within twelve (12)
11 months after being issued a license, either on an original
12 application or a renewal application, has violated any provision of
13 the Oklahoma Alcoholic Beverage Control Act or rule of the ABLE
14 Commission promulgated pursuant hereto. Provided, however, that if
15 the ABLE Commission, during the twelve-month period, has suspended
16 any license sought to be renewed, such renewal application may be
17 approved if the term of the suspension has been completed and the
18 applicant has complied with any special conditions imposed in
19 connection with the suspension;

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

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

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

3 14. That the applicant or any partner, spouse, employee or
4 other person affiliated with the applicant is not in compliance with
5 the tax laws of this state as required in Article XXVIII A of the
6 Oklahoma Constitution.

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

12 a. that the applicant or any type of partner or limited
13 partner owning forty-nine percent (49%) or more of the
14 total partnership interests has been convicted of a
15 felony described in paragraph 2 of this subsection,

16 b. that the applicant, in the case of a corporation, has
17 a stockholder owning ~~fifteen percent (15%)~~ forty-nine
18 percent (49%) of the stock, an officer or a director
19 who has been convicted of a felony described in
20 paragraph 2 of this subsection, and

21 c. that the applicant, in the case of a limited liability
22 company, has a manager or a member owning forty-nine
23 percent (49%) or more of the total membership
24 interests who has been convicted of a felony within

1 twenty-five (25) years prior to the application date,
2 who has been convicted of a felony described in
3 paragraph 2 of this subsection.

4 2. The provisions of this section shall apply to the following
5 felony offenses:

- 6 a. an alcohol-related offense,
- 7 b. a violent crime as defined in Section 142A-1 of Title
8 21 of the Oklahoma Statutes, or
- 9 c. a crime which would subject a person to registration
10 pursuant to the Sex Offenders Registration Act.

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

13 Section 3-119. It shall be unlawful for any manufacturer,
14 brewer, wine and spirits wholesaler, beer distributor or person
15 authorized to sell alcoholic beverages to a wholesaler, or any
16 employee, officer, director, stockholder owning ~~fifteen percent~~
17 ~~(15%)~~ forty-nine percent (49%) or more of the stock, limited partner
18 owning forty-nine percent (49%) or more of the total partnership
19 interests of a limited partnership, limited liability company member
20 owning forty-nine percent (49%) or more of the total membership
21 interests of a limited liability company, any type of general
22 partner, managing partner, manager, member or agent thereof, to
23 directly or indirectly:

1 1. Have any financial interest in any premises upon which any
2 alcoholic beverage is sold at retail or in any business connected
3 with the retailing of alcoholic beverages; provided, nothing in this
4 act shall prohibit the operation of a mixed beverage licensee, beer
5 and wine licensee or caterer licensee by an entity which has common
6 owners with the holder of a small brewer license or a brewpub
7 license;

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

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

15 4. Require any wine and spirits wholesaler, beer distributor,
16 retailer, mixed beverage, on-premises beer and wine licensee, public
17 event or caterer to purchase and dispose of any quota of alcoholic
18 beverages, or to require any retailer to purchase any kind, type,
19 size, container or brand of alcoholic beverages in order to obtain
20 any other kind, type, size, container or brand of alcoholic
21 beverages;

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

- 3 a. delivery in good faith, through mistake, inadvertence
4 or oversight, of an alcoholic beverage that was not
5 ordered by a retailer, mixed beverage licensee, on-
6 premises beer and wine licensee, caterer, public event
7 or special event licensee to such licensee,
- 8 b. replacement of product breakage that occurred while
9 the alcoholic beverages were in transit from the
10 wholesaler to the licensee, or
- 11 c. replacement of cork-tainted wine that makes the
12 product unsaleable as long as the licensee notifies
13 the wine and spirits wholesaler of the defect in
14 writing within ninety (90) days after delivery of the
15 product; or

16 6. Extend credit to any retailer, other than holders of Federal
17 Liquor Stamps on United States government reservations and
18 installations, mixed beverage, public event or on-premises beer and
19 wine licensee or caterer, other than a state lodge located in a
20 county which has approved the retail sale of alcoholic beverages by
21 the individual drink for on-premises consumption. The acceptance of
22 a postdated check or draft or the failure to deposit for collection
23 a current check or draft by the second banking day after receipt
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1 shall be deemed an extension of credit. Violation of this section
2 shall be grounds for suspension of the license.

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

5 Section 3-120. No mixed beverage, beer and wine, caterer,
6 public event or bottle club licensee, general partner in any type of
7 partnership, limited partner owning forty-nine percent (49%) or more
8 of the total partnership interests in any type of limited
9 partnership, manager or member of a limited liability company,
10 officer, director, or stockholder of any corporate licensee owning
11 more than ~~fifteen percent (15%)~~ forty-nine percent (49%) of the
12 stock shall have any right, title, lien, claim or interest,
13 financial or otherwise in, upon or to the premises, equipment,
14 business or merchandise of any package store, beer distributor,
15 brewer, manufacturer or wholesaler. The provisions of this section
16 shall not prohibit a person who is an officer or director of a
17 fraternal or veteran's organization which is a tax exempt
18 organization under Section 501(c)(8), (10) or (19) of the Internal
19 Revenue Code and which holds a license issued by the ABLE Commission
20 from having a right, title, lien, claim or interest in the premises,
21 equipment, business or merchandise of a package store.

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

1 Section 3-121. No manufacturer, brewer, wine and spirits
2 wholesaler, beer distributor, general partner in any type of
3 partnership, limited partner owning forty-nine percent (49%) or more
4 of the total partnership interests in any type of limited
5 partnership, manager or member of a limited liability company, or
6 officer, director or stockholder of any nonresident seller, brewer,
7 or manufacturer licensee, owning more than ~~fifteen percent (15%)~~
8 forty-nine percent (49%) of the stock shall have any right, title,
9 claim or interest, financial or otherwise in, upon or to the
10 premises, equipment, business or merchandise of any mixed beverage,
11 beer and wine, caterer, public event or bottle club licensee.

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

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