

1 **SENATE FLOOR VERSION**

2 March 6, 2025

3 COMMITTEE SUBSTITUTE
4 FOR
5 SENATE BILL NO. 531

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7 By: Seifried

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12 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; updating statutory references; and providing an effective date.

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

16 SECTION 1. AMENDATORY 37A O.S. 2021, Section 2-143, is

17 amended to read as follows:

18 Section 2-143. A. Any corporation applying for a mixed

19 beverage, beer and wine, caterer, public event, beer distributor, or

20 bottle club license, or as an equity partner in a wine and spirits

21 wholesaler, shall submit to the ABLE Alcoholic Beverage Laws

22 Enforcement (ABLE) Commission the following:

23 1. A certificate of good standing from the Office Office of the

24 Secretary of State;

1 2. A list of all corporate officers, directors, executive
2 committee members, or members of a similar governing body and their
3 addresses, except for a charitable organization exempt from taxation
4 under Section 501(c)(3), (4), (5), (6), (7), (8), (9), (10), or (19)
5 of the ~~United States~~ Internal Revenue Code of 1986, as amended,
6 which shall only be required to furnish its corporate officers; and
7 3. A list of all stockholders owning more than fifteen percent
8 (15%) ~~or more~~ of the stock and their addresses.

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

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

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

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

20 C. A corporate licensee shall notify the ABLE Commission in
21 writing of any change in the officers or directors of the
22 corporation or in the principal managers of premises licensed to the
23 corporation and shall pay a fee of One Hundred Dollars (\$100.00) for
24 each notification of change. Provided, service organizations which

1 | are exempt under Section 501(c) (8), (10), or (14) of the Internal
2 | Revenue Code of 1986, as amended, shall be exempt from such fee.

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

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

1 Failure to comply with the provisions of this subsection may result
2 in revocation or suspension of such license.

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

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

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

22 Section 2-144. A. Any limited liability company, formed as
23 provided for in the Oklahoma Limited Liability Company Act, may
24 apply for a mixed beverage, beer and wine, bottle club, caterer,

1 public event, beer distributor, retail wine, or retail beer license
2 issued pursuant to the Oklahoma Alcoholic Beverage Control Act. Any
3 limited liability company applying for a license shall submit to the
4 ABLE Alcoholic Beverage Laws Enforcement (ABLE) Commission, the
5 following:

6 1. A ~~Certificate~~ certificate of Good Standing good standing
7 from the Office of the Secretary of State;

8 2. The ~~Articles~~ articles of ~~Organization~~ organization with all
9 amendments and corrections filed with the Office of the Secretary of
10 State with proof that same has been filed in accordance with the
11 Oklahoma Limited Liability Company Act;

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

13 4. The name and address of the manager;

14 5. The operating agreement;

15 6. A current list of the full name, social security number, and
16 address of each member owning more than fifteen percent (15%) of the
17 total membership interests; and

18 7. A copy of the issued ~~Certificate~~ certificate of ~~Membership~~
19 Interest membership interest for each member.

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

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

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

20 E. Any person who has been a licensee, a partner in a license,
21 an officer, director, or a stockholder owning more than fifteen
22 percent (15%) ~~or more stockholder of the stock in~~ a corporation
23 holding a license revoked or suspended, pursuant to the provisions
24 of the Oklahoma Alcoholic Beverage Control Act, shall not serve as a

1 manager or be a member owning more than fifteen percent (15%) of the
2 total membership interests in a limited liability company seeking a
3 license pursuant to the provisions of the Oklahoma Alcoholic
4 Beverage Control Act for a period of twelve (12) months from the
5 date the license was revoked or suspended.

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

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

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

22 Section 2-147. A. The ABLE Alcoholic Beverage Laws Enforcement
23 (ABLE) Commission shall refuse to issue a mixed beverage, beer and
24 wine, bottle club, public event, caterer, retail wine, or retail

1 beer license, either on an original application or a renewal
2 application, if it has reasonable grounds to believe and finds any
3 of the following to be true:

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

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

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

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

19 5. That the applicant ~~or any type of partner, in the case of~~
20 any type of partnership, has a limited partner owning more than
21 fifteen percent (15%) of the total partnership interests or has a
22 general partner who has been convicted of a felony within fifteen
23 (15) years prior to the application date;

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

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

11 8. That the applicant has made false statements to the ABLE
12 Commission;

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

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

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

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

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

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

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

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

1 fifteen percent (15%) of the total partnership
2 interests or a general partner who has been convicted
3 of a felony described in paragraph 2 of this
4 subsection within twenty-five (25) years of the
5 application date,

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

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

20 2. The provisions of this section shall apply to the following

21 felony offenses:

- 22 a. an alcohol-related offense,
23 b. a violent crime as defined in Section 142A-1 of Title
24 21 of the Oklahoma Statutes, or

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

SECTION 4. AMENDATORY 37A O.S. 2021, Section 3-119, is

amended to read as follows:

Section 3-119. It shall be unlawful for any manufacturer,

brewer, wine and spirits wholesaler, beer distributor, or person

authorized to sell alcoholic beverages to a wholesaler, or any

employee, officer, director, stockholder owning more than fifteen

percent (15%) or more of the stock, limited partner owning more than

fifteen percent (15%) of the total partnership interests of a

limited partnership, limited liability company member owning more

than fifteen percent (15%) of the total membership interests of a

limited liability company, any type of general partner, managing

partner, manager, member, or agent thereof, to directly or

indirectly:

1. Have any financial interest in any premises upon which any

alcoholic beverage is sold at retail or in any business connected

with the retailing of alcoholic beverages; provided, nothing in this

aet Section 1-101 et seq. of this title shall prohibit the operation

of a mixed beverage licensee, beer and wine licensee, or caterer

licensee by an entity which has common owners with the holder of a

small brewer license or a brewpub license;

2. Lend any money or other thing of value, or to make any gift

or offer any gratuity, to any package store, retail wine, retail

1 beer, mixed beverage, beer and wine, public event, or bottle club
2 licensee or caterer;

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

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

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

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

1 b. replacement of product breakage that occurred while
2 the alcoholic beverages were in transit from the
3 wholesaler to the licensee, or
4 c. replacement of cork-tainted wine that makes the
5 product unsaleable as long as the licensee notifies
6 the wine and spirits wholesaler of the defect in
7 writing within ninety (90) days after delivery of the
8 product; or

9 6. Extend credit to any retailer, other than holders of Federal

10 Liquor Stamps on United States government reservations and
11 installations, mixed beverage, public event, or on-premises beer and
12 wine licensee or caterer, other than a state lodge located in a
13 county which has approved the retail sale of alcoholic beverages by
14 the individual drink for on-premises consumption. The acceptance of
15 a postdated check or draft or the failure to deposit for collection
16 a current check or draft by the second banking day after receipt
17 shall be deemed an extension of credit. Violation of this section
18 shall be grounds for suspension of the license.

19 SECTION 5. AMENDATORY 37A O.S. 2021, Section 3-120, is

20 amended to read as follows:

21 Section 3-120. No mixed beverage, beer and wine, caterer,
22 public event, or bottle club licensee, general partner in any type
23 of partnership, limited partner owning more than fifteen percent
24 (15%) of the total partnership interests in any type of limited

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

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

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

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

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

8 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE
March 6, 2025 - DO PASS AS AMENDED BY CS

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