

1 ENGROSSED SENATE
2 BILL NO. 531

3 By: Seifried of the Senate

4 and

5 Archer of the House

6 [alcoholic beverages - licensees - requirements -
7 refusal - action - rights and ownership interests -
effective date]

8

9

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

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

12 amended to read as follows:

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

18 1. A certificate of good standing from the Office Office of the
19 Secretary of State;

20 2. A list of all corporate officers, directors, executive
21 committee members, or members of a similar governing body and their
22 addresses, except for a charitable organization exempt from taxation
23 under Section 501(c) (3), (4), (5), (6), (7), (8), (9), (10), or (19)

1 of the ~~United States~~ Internal Revenue Code of 1986, as amended,
2 which shall only be required to furnish its corporate officers; and
3 3. A list of all stockholders owning more than fifteen percent
4 (15%) ~~or more~~ of the stock and their addresses.

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

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

9 2. A list of all corporate officers and directors, except for a
10 charitable organization exempt from taxation under Section
11 501(c) (3), (4), (5), (6), (7), (8), (9), (10), or (19) of the ~~United States~~
12 Internal Revenue Code of 1986, as amended, which shall only be
13 required to furnish its corporate officers; and

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

16 C. A corporate licensee shall notify the ABLE Commission in
17 writing of any change in the officers or directors of the
18 corporation or in the principal managers of premises licensed to the
19 corporation and shall pay a fee of One Hundred Dollars (\$100.00) for
20 each notification of change. Provided, service organizations which
21 are exempt under Section 501(c) (8), (10), or (14) of the Internal
22 Revenue Code of 1986, as amended, shall be exempt from such fee.

23 D. A corporate licensee shall notify the ABLE Commission any
24 time a person, any type of partnership, limited liability company,

1 or other entity acquires the percentages specified in paragraph 3 of
2 subsection A or B of this section, or more, of the stock of the
3 corporation. Such notification shall be within thirty (30) days of
4 acquisition, and the corporation shall pay a fee of One Hundred
5 Dollars (\$100.00) for each notification of change.

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

23 F. Any person who was an officer or director or who has owned
24 the percentages specified in paragraph 3 of subsection A or B of

1 this section or more of the stock in a corporation which has been
2 denied a license or had a license revoked or suspended pursuant to
3 the provisions of the Oklahoma Alcoholic Beverage Control Act shall
4 not own stock in any other corporation seeking a license pursuant to
5 the provisions of the Oklahoma Alcoholic Beverage Control Act for a
6 period of twelve (12) months from the date the license was revoked
7 or suspended.

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

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

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

1 ABLE Alcoholic Beverage Laws Enforcement (ABLE) Commission, the
2 following:

- 3 1. A ~~Certificate~~ certificate of Good Standing good standing
4 from the Office of the Secretary of State;
- 5 2. The ~~Articles~~ articles of ~~Organization~~ organization with all
6 amendments and corrections filed with the Office of the Secretary of
7 State with proof that same has been filed in accordance with the
8 Oklahoma Limited 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 more than fifteen percent (15%) of the
14 total membership interests; and
- 15 7. A copy of the issued ~~Certificate~~ certificate of Membership
16 Interest membership interest for 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 of any membership interest of more than fifteen
24 percent (15%) of the total membership interest within thirty (30)

1 days of the change. The limited liability company shall pay a fee
2 of One Hundred Dollars (\$100.00) 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 shall not exceed a ninety-day period following notification of
13 denial by the ABLE Commission. Failure to comply with the
14 provisions of this subsection may result in revocation or suspension
15 of such license.

16 E. Any person who has been a licensee, a partner in a license,
17 an officer, director, or a stockholder owning more than fifteen
18 percent (15%) ~~or more stockholder of the stock in~~ 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 more than fifteen percent (15%) of the
22 total membership interests in a limited liability company seeking a
23 license pursuant to the provisions of the Oklahoma Alcoholic
24

1 Beverage Control Act for a period of twelve (12) months from the
2 date the license was revoked or suspended.

3 F. Any person who has been a manager, member owning more than
4 fifteen percent (15%) of the total membership interests, or
5 participant in any business entity which was a manager or member
6 owning more than fifteen percent (15%) of the total membership
7 interests of a limited liability company which has been denied a
8 license or has had 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 the
13 date 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 Alcoholic Beverage Laws Enforcement
20 (ABLE) Commission shall refuse to issue a mixed beverage, beer and
21 wine, bottle club, public event, caterer, retail wine, or retail
22 beer license, either on an original application or a renewal
23 application, if it has reasonable grounds to believe and finds any
24 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 or has been convicted of a felony
3 within fifteen (15) years prior to the application date;

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

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

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

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

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

1 7. That the applicant, in the case of a limited liability
2 company, has ~~a manager or~~ a member owning more than fifteen percent
3 (15%) of the total membership interests or a manager who has been
4 convicted of a felony within fifteen (15) years prior to the
5 application date, ~~and such manager or member has an ownership~~
6 ~~interest greater than fifty percent (50%);~~

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

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

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

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

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

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

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

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

14 a. that the applicant or any type of partner, in the case
15 of a natural person, has been convicted of a felony
16 described in paragraph 2 of this subsection within
17 twenty-five (25) years of the application date,

18 b. that the applicant, in the case of any type of
19 partnership, has a limited partner owning more than
20 fifteen percent (15%) of the total partnership
21 interests or a general partner who has been convicted
22 of a felony described in paragraph 2 of this
23 subsection within twenty-five (25) years of the
24 application date,

1 b. c. that the applicant, in the case of a corporation,
2 has a stockholder owning more than fifteen percent
3 (15%) of the stock, an officer, or a director who has
4 been convicted of a felony described in paragraph 2 of
5 this subsection within twenty-five (25) years of the
6 application date, and
7 c. d. that the applicant, in the case of a limited
8 liability company, has ~~a manager or~~ a member owning
9 more than fifteen percent (15%) of the total
10 membership interests or a manager who has been
11 convicted of a felony described in paragraph 2 of this
12 subsection within twenty-five (25) years prior to the
13 application date, ~~who has been convicted of a felony~~
14 described in paragraph 2 of this subsection.

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

16 felony offenses:

- 17 a. an alcohol-related offense,
- 18 b. a violent crime as defined in Section 142A-1 of Title
19 21 of the Oklahoma Statutes, or
- 20 c. a crime which would subject a person to registration
21 pursuant to the Sex Offenders Registration Act.

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

23 amended to read as follows:

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

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

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

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

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

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

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

22 b. replacement of product breakage that occurred while
23 the alcoholic beverages were in transit from the
24 wholesaler to the licensee, or

1 c. replacement of cork-tainted wine that makes the
2 product unsaleable as long as the licensee notifies
3 the wine and spirits wholesaler of the defect in
4 writing within ninety (90) days after delivery of the
5 product; or

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

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

18 Section 3-120. No mixed beverage, beer and wine, caterer,
19 public event, or bottle club licensee, general partner in any type
20 of partnership, limited partner owning more than fifteen percent
21 (15%) 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, officer, director, or stockholder of

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

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

15 Section 3-121. No manufacturer, brewer, wine and spirits
16 wholesaler, beer distributor, general partner in any type of
17 partnership, limited partner owning more than fifteen percent (15%)
18 of the total partnership interests in any type of limited
19 partnership, manager or member of a limited liability company owning
20 more than fifteen percent (15%) of the total membership interest of
21 a limited liability company, or officer, director,or stockholder of
22 any nonresident seller, brewer, or manufacturer licensee, owning
23 more than fifteen percent (15%) of the stock shall have any right,
24 title, claim,or interest, financial or otherwise,in, upon, or to

1 the premises, equipment, business, or merchandise of any mixed
2 beverage, beer and wine, caterer, public event, or bottle club
3 licensee.

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

5 Passed the Senate the 27th day of March, 2025.

6

7 Presiding Officer of the Senate

8

9 Passed the House of Representatives the ____ day of _____,
10 2025.

11

12 Presiding Officer of the House
13 of Representatives