

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 POLICY COMMITTEE
4 RECOMMENDATION

5 FOR

6 HOUSE BILL NO. 3851

7 By: Marti

8 POLICY COMMITTEE RECOMMENDATION

9 An Act relating to alcoholic beverages; amending 37A
10 O.S. 2021, Section 1-103, as last amended by Section
11 2, Chapter 190, O.S.L. 2025 (37A O.S. Supp. 2025,
12 Section 1-103), which relates to definitions;
13 providing additional definitions; and providing an
14 effective date.

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

16 SECTION 1. AMENDATORY 37A O.S. 2021, Section 1-103, as
17 last amended by Section 2, Chapter 190, O.S.L. 2025 (37A O.S. Supp.
18 2025, Section 1-103), is amended to read as follows:

19 Section 1-103. As used in the Oklahoma Alcoholic Beverage
20 Control Act:

21 1. "ABLE Commission" or "Commission" means the Alcoholic
22 Beverage Laws Enforcement Commission;

23 2. "Alcohol" means and includes hydrated oxide of ethyl, ethyl
24 alcohol, ethanol or spirits of wine, from whatever source or by
whatever process produced. It does not include wood alcohol or

1 alcohol which has been denatured or produced as denatured in
2 accordance with Acts of Congress and regulations promulgated
3 thereunder;

4 3. "Alcoholic beverage" means alcohol, spirits, beer, and wine
5 as those terms are defined herein and also includes every liquid or
6 solid, patented or not, containing alcohol, spirits, wine, or beer
7 and capable of being consumed as a beverage by human beings;

8 4. "Applicant" means any individual, legal or commercial
9 business entity, or any individual involved in any legal or
10 commercial business entity allowed to hold any license issued in
11 accordance with the Oklahoma Alcoholic Beverage Control Act;

12 5. "Beer" means any beverage containing more than one-half of
13 one percent (0.50%) of alcohol by volume and obtained by the
14 alcoholic fermentation of an infusion or decoction of barley, or
15 other grain, sugar, malt or similar products. For the purposes of
16 taxation, distribution, sales, and regulation, seltzer shall mean
17 the same as beer as provided in this section. Beer may or may not
18 contain hops or other vegetable products. Beer includes, among
19 other things, beer, ale, stout, lager beer, porter, seltzer, and
20 other malt or brewed liquors, but does not include sake, known as
21 Japanese rice wine;

22 6. "Beer keg" means any brewer-sealed, single container that
23 contains not less than four (4) gallons of beer;

24

1 7. "Beer distributor" means and includes any person licensed to
2 distribute beer for retail sale in this state, but does not include
3 a holder of a small brewer self-distribution license or brewpub
4 self-distribution license. The term distributor, as used in the
5 Oklahoma Alcoholic Beverage Control Act, shall be construed to refer
6 to a beer distributor;

7 8. "Bottle club" means any establishment in a county which has
8 not authorized the retail sale of alcoholic beverages by the
9 individual drink, which is required to be licensed to keep, mix and
10 serve alcoholic beverages belonging to club members on club
11 premises;

12 9. "Bottle service" means the sale and provision of spirits in
13 their original packages by a mixed beverage licensee to be consumed
14 in that mixed beverage licensee's club suite;

15 10. "Brand" means any word, name, group of letters, symbol or
16 combination thereof, that is adopted and used by a licensed brewer
17 to identify a specific beer, wine or spirit and to distinguish that
18 product from another beer, wine or spirit;

19 11. "Brand extension" means:

20 a. after October 1, 2018, any brand of beer or cider
21 introduced by a manufacturer in this state which
22 either:
23
24

1 (1) incorporates all or a substantial part of the
2 unique features of a preexisting brand of the
3 same licensed brewer, or

4 (2) relies to a significant extent on the goodwill
5 associated with the preexisting brand, or

6 b. any brand of beer that a brewer, the majority of whose
7 total volume of all brands of beer distributed in this
8 state by such brewer on January 1, 2016, was
9 distributed as low-point beer, desires to sell,
10 introduces, begins selling or theretofore has sold and
11 desires to continue selling a strong beer in this
12 state which either:

13 (1) incorporates or incorporated all or a substantial
14 part of the unique features of a preexisting low-
15 point beer brand of the same licensed brewer, or

16 (2) relies or relied to a significant extent on the
17 goodwill associated with a preexisting low-point
18 beer brand;

19 12. "Brewer" means and includes any person who manufactures for
20 human consumption by the use of raw materials or other ingredients
21 any beer or cider upon which a license fee and a tax are imposed by
22 any law of this state;

23 13. "Brewpub" means a licensed establishment operated on the
24 premises of, or on premises located contiguous to, a small brewer,

1 that prepares and serves food and beverages, including alcoholic
2 beverages, for on-premises consumption;

3 14. "Cider" means any alcoholic beverage obtained by the
4 alcoholic fermentation of fruit juice, including but not limited to
5 flavored, sparkling or carbonated cider. For the purposes of the
6 manufacture of this product, cider may be manufactured by either
7 manufacturers or brewers. For the purposes of the distribution of
8 this product, cider may be distributed by either wine and spirits
9 wholesalers or beer distributors;

10 15. "Club suite" means a designated area within the premises of
11 a mixed beverage licensee designed to provide an exclusive space
12 which is limited to a patron or patrons specifically granted access
13 by a mixed beverage licensee and is not accessible to other patrons
14 of the mixed beverage licensee or the public. A club suite must
15 have a clearly designated point of access for a patron or patrons
16 specifically granted access by the mixed beverage licensee to ensure
17 that persons present in the suite are limited to patrons
18 specifically granted access by the mixed beverage licensee and
19 employees providing services to the club suite;

20 16. "Cocktail" means a type of mixed beverage as defined in
21 Section 7-102 of this title;

22 17. "Controlled label" means a spirit, wine, beer, or other
23 beverage alcohol product that is manufactured for sale or sold under
24 an agreement between a supplier or its affiliates and a retailer or

1 its affiliates, directly or indirectly, under which the retailer
2 coordinates the manufacture, including, but not limited to, flavor
3 profile, formulation, production costs, volume or schedule, source
4 of any ingredients, packaging or labeling of the product and its
5 distribution at the retailer's outlet or outlets; provided, however,
6 the retailer does not directly or indirectly own the name or
7 trademark of the product. A product shall be deemed a control label
8 if the retailer retains the authority to dictate terms of
9 production, marketing, or sales in a manner that restricts
10 availability to other market participants outside standard
11 competitive practices;

12 18. "Convenience store" means any person primarily engaged in
13 retailing a limited range of general household items and groceries,
14 with extended hours of operation, whether or not engaged in retail
15 sales of automotive fuels in combination with such sales;

16 ~~18.~~ 19. "Convicted" and "conviction" mean and include a finding
17 of guilt resulting from a plea of guilty or nolo contendere, the
18 decision of a court or magistrate or the verdict of a jury,
19 irrespective of the pronouncement of judgment or the suspension
20 thereof;

21 ~~19.~~ 20. "Designated products" means the brands of wine or
22 spirits offered for sale by a manufacturer that the manufacturer has
23 assigned to a designated wholesaler for exclusive distribution;

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1 ~~20.~~ 21. "Designated wholesaler" means a wine and spirits
2 wholesaler who has been selected by a manufacturer as a wholesaler
3 appointed to distribute designated products;

4 ~~21.~~ 22. "Director" means the Director of the ABLE Commission;

5 ~~22.~~ 23. "Distiller" means any person who produces spirits from
6 any source or substance, or any person who brews or makes mash, wort
7 or wash, fit for distillation or for the production of spirits
8 (except a person making or using such material in the authorized
9 production of wine or beer, or the production of vinegar by
10 fermentation), or any person who by any process separates alcoholic
11 spirits from any fermented substance, or any person who, making or
12 keeping mash, wort or wash, has also in his or her possession or use
13 a still;

14 ~~23.~~ 24. "Distributor agreement" means the written agreement
15 between the distributor and brewer as set forth in Section 3-108 of
16 this title;

17 ~~24.~~ 25. "Drug store" means a person primarily engaged in
18 retailing prescription and nonprescription drugs and medicines;

19 ~~25.~~ 26. "Event venue" means any nongovernmental location,
20 property, space, premises, grounds, building or buildings, or other
21 site that offers to the general public for rent, lease, reservation,
22 or other contractual use, for the hosting of a function, occasion,
23 or event, special, private, or public, of a temporary nature. The
24 location, property, space, premises, grounds, or building or

1 buildings defined in this paragraph shall not include those owned,
2 leased, or occupied by organizations exempt from taxation pursuant
3 to the provisions of the Internal Revenue Code, 26 U.S.C., Section
4 501(c)(3);

5 ~~26.~~ 27. "Dual-strength beer" means a brand of beer that,
6 immediately prior to April 15, 2017, was being sold and distributed
7 in this state:

8 a. as a low-point beer pursuant to the Low-Point Beer
9 Distribution Act in effect immediately prior to
10 October 1, 2018, and

11 b. as strong beer pursuant to the Oklahoma Alcoholic
12 Beverage Control Act in effect immediately prior to
13 October 1, 2018,

14 and continues to be sold and distributed as such on October 1, 2018.
15 Dual-strength beer does not include a brand of beer that arose as a
16 result of a brand extension as defined in this section;

17 ~~27.~~ 28. "Fair market value" means the value in the subject
18 territory covered by the written agreement with the distributor or
19 wholesaler that would be determined in an arm's length transaction
20 entered into without duress or threat of termination of the
21 distributor's or wholesaler's rights and shall include all elements
22 of value, including goodwill and going-concern value;

23 ~~28.~~ 29. "Good cause" means:
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1 a. failure by the distributor to comply with the material
2 and reasonable provisions of a written agreement or
3 understanding with the brewer, or

4 b. failure by the distributor to comply with the duty of
5 good faith;

6 ~~29.~~ 30. "Good faith" means the duty of each party to any
7 distributor agreement and all officers, employees or agents thereof
8 to act with honesty in fact and within reasonable standards of fair
9 dealing in the trade;

10 ~~30.~~ 31. "Grocery store" means a person primarily engaged in
11 retailing a general line of food, such as canned or frozen foods,
12 fresh fruits and vegetables, and fresh and prepared meats, fish and
13 poultry;

14 ~~31.~~ 32. "Hotel" or "motel" means an establishment which is
15 licensed to sell alcoholic beverages by the individual drink and
16 which contains guest room accommodations with respect to which the
17 predominant relationship existing between the occupants thereof and
18 the owner or operator of the establishment is that of innkeeper and
19 guest. For purposes of this section, the existence of other legal
20 relationships as between some occupants and the owner or operator
21 thereof shall be immaterial;

22 ~~32.~~ 33. "Legal newspaper" means a newspaper meeting the
23 requisites of a newspaper for publication of legal notices as
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1 prescribed in Sections 101 through 114 of Title 25 of the Oklahoma
2 Statutes;

3 ~~33.~~ 34. "Licensee" means any person holding a license under the
4 Oklahoma Alcoholic Beverage Control Act, and any agent, servant or
5 employee of such licensee while in the performance of any act or
6 duty in connection with the licensed business or on the licensed
7 premises;

8 ~~34.~~ 35. "Low-point beer" shall mean any beverages containing
9 more than one-half of one percent (1/2 of 1%) alcohol by volume, and
10 not more than three and two-tenths percent (3.2%) alcohol by weight,
11 including but not limited to beer or cereal malt beverages obtained
12 by the alcoholic fermentation of an infusion by barley or other
13 grain, malt or similar products;

14 ~~35.~~ 36. "Manufacturer" means a distiller, winemaker, rectifier
15 or bottler of any alcoholic beverage (other than beer) and its
16 subsidiaries, affiliates and parent companies;

17 ~~36.~~ 37. "Manufacturer's agent" means a salaried or commissioned
18 salesperson who is the agent authorized to act on behalf of the
19 manufacturer or nonresident seller in this state;

20 ~~37.~~ 38. "Meals" means foods commonly ordered at lunch or dinner
21 and at least part of which is cooked on the licensed premises and
22 requires the use of dining implements for consumption. Provided,
23 that the service of only food such as appetizers, sandwiches, salads
24 or desserts shall not be considered meals;

1 ~~38.~~ 39. "Mini-bar" means a closed container, either
2 refrigerated in whole or in part, or unrefrigerated, and access to
3 the interior of which is:

- 4 a. restricted by means of a locking device which requires
- 5 the use of a key, magnetic card or similar device, or
- 6 b. controlled at all times by the licensee;

7 ~~39.~~ 40. "Mixed beverage cooler" means any beverage, by whatever
8 name designated, consisting of an alcoholic beverage and fruit or
9 vegetable juice, fruit or vegetable flavorings, dairy products or
10 carbonated water containing more than one-half of one percent (1/2
11 of 1%) of alcohol measured by volume but not more than seven percent
12 (7%) alcohol by volume at sixty (60) degrees Fahrenheit and which is
13 packaged in a container not larger than three hundred seventy-five
14 (375) milliliters. Such term shall include but not be limited to
15 the beverage popularly known as a "wine cooler";

16 ~~40.~~ 41. "Mixed beverages" means one or more servings of a
17 beverage composed in whole or in part of an alcoholic beverage in a
18 sealed or unsealed container of any legal size for consumption on
19 the premises where served or sold by the holder of a mixed beverage,
20 beer and wine, caterer, public event, charitable event or special
21 event license; provided, that a beer, cider, or wine mixed with
22 ingredients nonalcoholic in nature including, but not limited to,
23 water, juice, sugar, fruits, or vegetables and sold by a small
24 brewer, brewpub, small farm winery, or winemaker, shall not be

1 considered a mixed beverage so long as such small brewer, brewpub,
2 small farm winery, or winemaker does not also hold an on-premises
3 beer and wine, mixed beverage, caterer, public event, or special
4 event license, if permitted by law;

5 ~~41.~~ 42. "Motion picture theater" means an establishment which
6 is licensed by Section 2-110 of this title to sell alcoholic
7 beverages by the individual drink and where motion pictures are
8 exhibited, and to which the general public is admitted;

9 ~~42.~~ 43. "Nondesignated products" means the brands of wine or
10 spirits offered for sale by a manufacturer that have not been
11 assigned to a designated wholesaler;

12 ~~43.~~ 44. "Nonresident seller" means any person licensed pursuant
13 to Section 2-135 of this title;

14 ~~44.~~ 45. "Retail salesperson" means a salesperson soliciting
15 orders from and calling upon retail alcoholic beverage stores with
16 regard to his or her product;

17 ~~45.~~ 46. "Occupation" as used in connection with "occupation
18 tax" means the sites occupied as the places of business of the
19 manufacturers, brewers, wholesalers, beer distributors, retailers,
20 mixed beverage licensees, on-premises beer and wine licensees,
21 bottle clubs, caterers, public event and special event licensees;

22 ~~46.~~ 47. "Original package" means any container of alcoholic
23 beverage filled and stamped or sealed by the manufacturer or brewer;

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1 ~~47.~~ 48. "Package store" means any sole proprietor or
2 partnership that qualifies to sell wine, beer and/or spirits for
3 off-premises consumption and that is not a grocery store,
4 convenience store or drug store, or other retail outlet that is not
5 permitted to sell wine or beer for off-premises consumption;

6 ~~48.~~ 49. "Patron" means any person, customer or visitor who is
7 not employed by a licensee or who is not a licensee;

8 ~~49.~~ 50. "Person" means an individual, any type of partnership,
9 corporation, association, limited liability company or any
10 individual involved in the legal structure of any such business
11 entity;

12 ~~50.~~ 51. "Premises" means the grounds and all buildings and
13 appurtenances pertaining to the grounds including any adjacent
14 premises if under the direct or indirect control of the licensee and
15 the rooms and equipment under the control of the licensee and used
16 in connection with or in furtherance of the business covered by a
17 license. Provided, that the ABLE Commission shall have the
18 authority to designate areas to be excluded from the licensed
19 premises solely for the purpose of:

- 20 a. allowing the presence and consumption of alcoholic
21 beverages by private parties which are closed to the
22 general public, or
- 23 b. allowing the services of a caterer serving alcoholic
24 beverages provided by a private party.

1 This exception shall in no way limit the licensee's concurrent
2 responsibility for any violations of the Oklahoma Alcoholic Beverage
3 Control Act occurring on the licensed premises;

4 ~~51.~~ 52. "Private event" means a social gathering or event
5 attended by invited guests who share a common cause, membership,
6 business or task and have a prior established relationship. For
7 purposes of this definition, advertisement for general public
8 attendance or sales of tickets to the general public shall not
9 constitute a private event;

10 53. "Private label" means a distilled spirit, wine, or beer
11 product that is manufactured for sale or sold under an agreement
12 between a supplier or its affiliates and a retailer or its
13 affiliates directly or indirectly that bears a name or trademark
14 directly or indirectly owned by a retailer. A product shall be
15 deemed a private label if the retailer retains the authority to
16 dictate terms of production, marketing, or sales in a manner that
17 restricts availability to other market participants outside standard
18 competitive practices;

19 ~~52.~~ 54. "Public event" means any event that can be attended by
20 the general public;

21 ~~53.~~ 55. "Rectifier" means any person who rectifies, purifies or
22 refines spirits or wines by any process (other than by original and
23 continuous distillation, or original and continuous processing, from
24 mash, wort, wash or other substance, through continuous closed

1 vessels and pipes, until the production thereof is complete), and
2 any person who, without rectifying, purifying or refining spirits,
3 shall by mixing (except for immediate consumption on the premises
4 where mixed) such spirits, wine or other liquor with any material,
5 manufactures any spurious, imitation or compound liquors for sale,
6 under the name of whiskey, brandy, rum, gin, wine, spirits, cordials
7 or any other name;

8 ~~54.~~ 56. "Regulation" or "rule" means a formal rule of general
9 application promulgated by the ABLE Commission as herein required;

10 ~~55.~~ 57. "Restaurant" means an establishment that is licensed to
11 sell alcoholic beverages by the individual drink for on-premises
12 consumption and where food is prepared and sold for immediate
13 consumption on the premises;

14 ~~56.~~ 58. "Retail container for spirits and wines" means an
15 original package of any capacity approved by the United States
16 Bureau of Alcohol, Tobacco, Firearms and Explosives;

17 ~~57.~~ 59. "Retailer" means a package store, grocery store,
18 convenience store or drug store licensed to sell alcoholic beverages
19 for off-premises consumption pursuant to a retail spirits license,
20 retail wine license or retail beer license;

21 ~~58.~~ 60. "Sale" means any transfer, exchange or barter in any
22 manner or by any means whatsoever, and includes and means all sales
23 made by any person, whether as principal, proprietor or as an agent,
24 servant or employee. The term sale is also declared to be and

1 include the use or consumption in this state of any alcoholic
2 beverage obtained within or imported from without this state, upon
3 which the excise tax levied by the Oklahoma Alcoholic Beverage
4 Control Act has not been paid or exempted;

5 ~~59.~~ 61. "Seltzer" means any beverage containing more than one-
6 half of one percent (0.50%) of alcohol by volume and obtained by the
7 alcoholic fermentation of malt, rice, grain of any kind, bran,
8 glucose, sugar, or molasses and combined with carbonated water and
9 other flavoring and labeled as "beer" by the Internal Revenue Code;
10 provided, that seltzer shall not include carbonated beverages mixed
11 with wine or spirits;

12 ~~60.~~ 62. "Short-order food" means food other than full meals
13 including but not limited to sandwiches, soups and salads.
14 Provided, that popcorn, chips and other similar snack food shall not
15 be considered short-order food;

16 ~~61.~~ 63. "Small brewer" means a brewer who manufactures less
17 than sixty-five thousand (65,000) barrels of beer annually pursuant
18 to a validly issued small brewer license hereunder;

19 ~~62.~~ 64. "Small farm wine" means a wine that is produced by a
20 small farm winery with seventy-five percent (75%) or more Oklahoma-
21 grown grapes, berries, other fruits, honey or vegetables;

22 ~~63.~~ 65. "Small farm winery" means a wine-making establishment
23 that does not annually produce for sale more than fifteen thousand
24 (15,000) gallons of wine as reported on the United States Department

1 of the Treasury Alcohol and Tobacco Tax and Trade Bureau, Report of
2 Wine Premises Operations (TTB Form 5120.17);

3 ~~64.~~ 66. "Sparkling wine" means champagne or any artificially
4 carbonated wine;

5 ~~65.~~ 67. "Special event" means an entertainment, recreation or
6 marketing event that occurs at a single location on an irregular
7 basis and at which alcoholic beverages are sold;

8 ~~66.~~ 68. "Spirits" means any beverage other than wine or beer,
9 which contains more than one-half of one percent (1/2 of 1%) alcohol
10 measured by volume, and obtained by distillation, whether or not
11 mixed with other substances in solution and includes those products
12 known as whiskey, brandy, rum, gin, vodka, liqueurs, cordials and
13 fortified wines and similar compounds, but shall not include any
14 alcohol liquid completely denatured in accordance with the Acts of
15 Congress and regulations pursuant thereto;

16 ~~67.~~ 69. "Strong beer" means beer which, prior to October 1,
17 2018, was distributed pursuant to the Oklahoma Alcoholic Beverage
18 Control Act, Section 1-101 et seq. of this title;

19 ~~68.~~ 70. "Successor brewer" means a primary source of supply, a
20 brewer, a cider manufacturer or an importer that acquires rights to
21 a beer or cider brand from a predecessor brewer;

22 ~~69.~~ 71. "Tax Commission" means the Oklahoma Tax Commission;

23 ~~70.~~ 72. "Territory" means a geographic region with a specified
24 boundary;

1 ~~71.~~ 73. "Wine and spirits wholesaler" or "wine and spirits
2 distributor" means and includes any sole proprietorship or
3 partnership licensed to distribute wine and spirits in this state.
4 The term "wholesaler", as used in the Oklahoma Alcoholic Beverage
5 Control Act, shall be construed to refer to a wine and spirits
6 wholesaler;

7 ~~72.~~ 74. "Wine" means and includes any beverage containing more
8 than one-half of one percent (1/2 of 1%) alcohol by volume and not
9 more than twenty-four percent (24%) alcohol by volume at sixty (60)
10 degrees Fahrenheit obtained by the fermentation of the natural
11 contents of fruits, vegetables, honey, milk or other products
12 containing sugar, whether or not other ingredients are added, and
13 includes vermouth and sake, known as Japanese rice wine;

14 ~~73.~~ 75. "Winemaker" means and includes any person or
15 establishment who manufactures for human consumption any wine upon
16 which a license fee and a tax are imposed by any law of this state;

17 ~~74.~~ 76. "Satellite tasting room" means a licensed establishment
18 operated off the licensed premises of the holder of a small farm
19 winery or winemaker license, which serves wine for on-premises or
20 off-premises consumption; and

21 ~~75.~~ 77. "Straw testing" means the consumption of a de minimis
22 amount of an alcoholic beverage by sanitary means by the holder of
23 an employee license, twenty-one (21) years of age or older, to
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1 determine the quality or desired flavor profile of such alcoholic
2 beverage that has been serviced, or is to be served, to a patron.

3 Words in the plural include the singular, and vice versa, and
4 words imparting the masculine gender include the feminine, as well
5 as persons and licensees as defined in this section.

6 SECTION 2. This act shall become effective November 1, 2026.

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8 60-2-16568 GRS 02/18/26

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