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STATE QUESTION 792: ALCOHOL LAW REFORM

The Gist

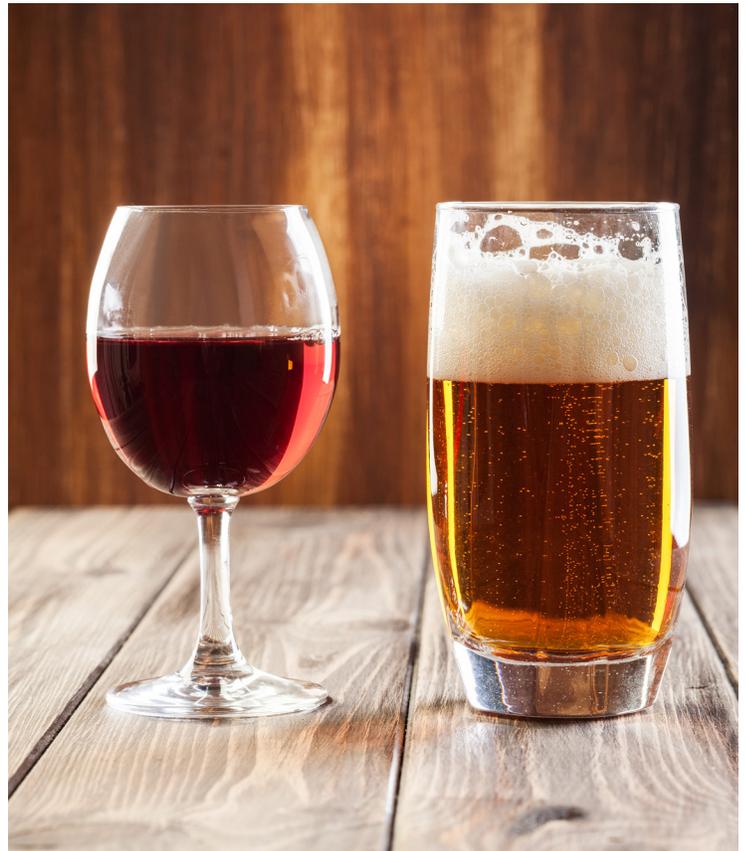
SQ 792 would amend the Oklahoma constitution to allow grocery and convenience stores to sell wine and high-point beer. Currently these stores are prohibited from selling beer containing above 3.2 percent alcohol by volume, as well as all wine and all liquor. SQ 792 would also allow Oklahoma liquor stores to sell refrigerated beer and alcohol accessories (i.e., sodas, corkscrews). The measure would allow multiple beer and wine stores to be owned by one corporation (ownership would be limited to two stores per person if spirits are sold). Currently individual liquor store owners are not allowed to have more than one store. If SQ 792 passes, these changes would take effect on October 1, 2018.

Background Information

Oklahoma currently has among the most restrictive laws in the nation on grocery store alcohol sales. In 41 other states, grocery stores and convenience stores are allowed to sell wine, and only 5 other states have prohibitions based on the proof of beer.

SQ 792 was placed on the ballot by the Oklahoma Legislature to reform these laws. A companion bill, SB 383, will go into effect if SQ 792 passes. The companion bill allows direct shipment of wine into Oklahoma, increases the clerk age for selling beer from 16 to 18, and establishes other regulations on the sale of alcohol.

Another state question petition, SQ 791, has been circulated by a group of liquor store owners, but they did not collect enough signatures in time to put it on the November ballot. SQ 791 would have prohibited grocery stores from selling wine if there was a liquor store within 500 feet, prohibited out-of-state ownership of any part of a wholesale or retail liquor license, and required that alcohol sales not make up more than 30% of a grocery store's total sales.



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STATE QUESTION 792 (CONTINUED)

Supporters Say...

- Oklahoma's current regulations of alcohol sales are outdated. These laws are inconveniencing consumers, sending money out of state, and preventing the growth of local industries.
- SQ 792 will support Oklahoma's economy by allowing local businesses to operate under comparable legislation as their competitors in neighboring states.
- Consumers will no longer need to make a separate trip to the liquor store for high-point beer and wine. At the same time, liquor stores will be able to sell mixers and corkscrews, which will make the liquor store a "one-stop" alcohol destination.
- Current restrictions on the sale of refrigerated beer means that various types of craft beer cannot be stocked due to temperature requirements. SQ 792 will allow new craft beers to become available to Oklahoman consumers.

Opponents Say...

- SQ 792 may cause liquor stores to go out of business due to inability to compete with the convenience of grocery stores and the added cost of refrigeration for beer.
- By easing restrictions on ownership of multiple liquor stores, SQ 792 will allow large chains to take over the alcohol market in Oklahoma.
- SQ 792 could lead to fewer choices for consumers, because a few large brands offered in grocery stores would crowd out the more diverse offerings in liquor stores.
- Allowing grocery stores to sell higher point beer could lead to the end of production of low-point beer.

Ballot Language

This measure repeals Article 28 of the Oklahoma Constitution and restructures the laws governing alcoholic beverages through a new Article 28A and other laws the Legislature will create if the measure passes. The new Article 28A provides that with exceptions, a person or company can have an ownership interest in only one area of the alcoholic beverage business—manufacturing, wholesaling, or retailing. Some restrictions apply to the sales of manufacturers, brewers, winemakers, and wholesalers. Subject to limitations, the Legislature may authorize direct shipments to consumers of wine. Retail locations like grocery stores may sell wine and beer. Liquor stores may sell products other than alcoholic beverages in limited amounts. The Legislature must create licenses for retail locations, liquor stores, and places serving alcoholic beverages and may create other licenses. Certain licensees must meet residency requirements. Felons cannot be licensees. The Legislature must designate days and hours when alcoholic beverages may be sold and may impose taxes on sales. Municipalities may levy an occupation tax. If authorized, a state lodge may sell individual alcoholic beverages for on-premises consumption but no other state involvement in the alcoholic beverage business is allowed. With one exception, the measure will take effect October 1, 2018.

To learn more, go to <http://bit.ly/oksq2016>.