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H.B. 574
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Seitz and Boggs

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SUMMARY

- Modifies the following required characteristics of an event at a private residence at which beer or intoxicating liquor may be sold without a liquor permit:
 - Allows beer or intoxicating liquor to be furnished or gifted at the event in addition to sold as in current law;
 - Specifies that the event may be for a not-for-profit social purpose in addition to a charitable, benevolent, or political purpose as in current law;
 - Clarifies that an individual may be a beneficiary of a charitable, benevolent, or political event at a private residence; and
 - Increases the allowed number of attendees at the event from 50 to 100 people.
- Specifies that both of the following apply to any beer or intoxicating liquor sold, furnished, or gifted at an event at a private residence:
 - Any beer, wine, or mixed beverage must be purchased from an Ohio-based liquor permit holder; and
 - Any spirituous liquor must be purchased from an Ohio-based agency store.

DETAILED ANALYSIS

Sale of alcohol at events at private residences

Background

Current law generally prohibits the sale of beer or intoxicating liquor without a liquor permit issued by the Division of Liquor Control. (In most circumstances, the term “sale” includes

giving away beer or intoxicating liquor.)¹ However, current law establishes several exemptions to the prohibition, including the sale of beer or intoxicating liquor at a private residence at an event that has the following characteristics:

1. The event is for a charitable, benevolent, or political purpose;
2. The proceeds of the event are not for the profit or gain of any individual;
3. The event has in attendance not more than 50 people;
4. The event is for a period not exceeding 12 hours;
5. The sale of beer and intoxicating liquor at the event does not occur between 2:30 a.m. and 5:30 a.m.;
6. No person under 21 can purchase or consume beer or intoxicating liquor at the event and no beer or intoxicating liquor can be sold to any person under 21 at the event;
7. No person at the event can sell beer or intoxicating liquor to an intoxicated person; and
8. No beer or intoxicating liquor may be given away at the event.

Current law also allows not more than five annual events at a particular private residence.²

Modifications made by the bill

The bill modifies the following required characteristics of an event at a private residence:

1. It allows beer and intoxicating liquor to be furnished or gifted at the event;
2. It specifies that the event may be for a not-for-profit social purpose (in addition to charitable, benevolent, or political purposes as provided in current law);
3. It clarifies that an individual may be the beneficiary of the fundraising event if it is for a charitable, benevolent, or political purpose; and
4. It increases the number of persons who may attend the event from 50 to 100 people.³

Finally, the bill adds that both of the following apply to any beer or intoxicating liquor sold, furnished, or gifted at an event:

1. Any beer, wine, or mixed beverage must be purchased from an Ohio-based liquor permit holder; and
2. Any spirituous liquor must be purchased from an Ohio-based agency store. If requested by the Division, the host of the event must submit receipts for any of the spirituous

¹ R.C. 4301.01 and 4301.58, not in the bill.

² R.C. 4301.20(N).

³ R.C. 4301.20(N)(1) to (6).

liquor purchased for the event to the Division as proof that it was purchased from an Ohio-based agency store. If the Division makes a request, the Division must do so within 90 days after the date of the event. If requested within that time period, the event host must submit the receipts in accordance with procedures that the Division establishes (see **COMMENT**).⁴

COMMENT

The bill's provision requiring beer, wine, or mixed beverages served at a private event to be purchased from an Ohio-based liquor permit holder or agency store may violate the Commerce Clause of the U.S. Constitution. The U.S. Supreme Court found that the state regulation of alcohol is limited by the nondiscrimination principle of the Commerce Clause (U.S. Constitution, Article I, Section 8, Clause 3).⁵ Thus, the provision of the bill that forbids the furnishing, gifting, or sale of beer or intoxicating liquor from out-of-state sellers at an event held at a private residence may be scrutinized in light of these Commerce Clause principles.

HISTORY

Action	Date
Introduced	02-15-22

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⁴ R.C. 4301.20(N)(7).

⁵ *Granholm v. Heald*, 544 U.S. 460 (2005).