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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 669
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 669's Bill Analysis](#)

Version: As Reported by Senate Agriculture & Natural Resources

Primary Sponsors: Reps. Swearingen, Jr. and LaRe

Local Impact Statement Procedure Required: No

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Highlights

- The bill allows the sale and delivery of beer and intoxicating liquor by qualifying retail permit holders to personal consumers, if the consumer also purchases a meal. The bill limits the delivery to three drinks per consumer. There could be some costs to political subdivisions for ensuring that permit establishments comply with the bill's provisions. However, there do not appear to be any direct fiscal effects on the Division of Liquor Control within the Department of Commerce.
- There are nearly 45,400 permits issued to establishments that would be eligible to deliver alcoholic beverages to personal consumers.
- The bill expands alcohol sales to certain outdoor sales and parking lots, which expires on December 31, 2022. If the expansion of these selling areas reaches public property, permit holders must receive written authority from either a municipal corporation or township.
- The bill declares an emergency and would thus go into immediate effect.

Detailed Analysis

Liquor and beer delivery

The bill permits the sale and delivery of beer and intoxicating liquor by qualifying retail permit holders to personal consumers. While unlikely to have any direct fiscal effects on the Division of Liquor Control, the bill could have some effect on enforcement costs for political subdivisions responsible for ensuring that qualifying permit establishments comply with the requirements of the bill. Specifically, the bill allows bars, restaurants, small breweries, micro-distilleries, and wineries to sell beer, wine, or intoxicating liquor to personal consumers. These entities can only sell alcohol if they are also selling a meal to the consumer, and the entity is

limited to selling three alcoholic drinks to the consumer. The retail permit holders must sell only those types and amounts of alcohol as specified by the permit. This includes micro-distilleries, provided they have entered into a contract with the Division of Liquor Control within the Department of Commerce. Please see the LSC bill analysis for a list of all permit types allowed under the bill.

There does not appear to be any direct effect to the Division of Liquor Control related to the authority granted in the bill. However, political subdivisions could see increased costs associated with enforcing compliance with the newly granted authority under the bill. Currently, local governments receive a portion of all liquor permit revenue collected by the Undivided Liquor Permit Fund (Fund 7066). In FY 2019, approximately \$15.0 million was transferred from Fund 7066 to local taxing districts for liquor enforcement based upon the number of permitted establishments in each political subdivision. Ultimately, the number of establishments that elect to use the authority in the bill will impact the enforcement costs to political subdivisions. The table below shows the total number of permits issued to establishments that would be eligible to sell alcohol for delivery under the bill. It is possible that some establishments may hold multiple permits contained in the table below.

Active Licenses for Eligible Permits		
Permit Class	Permit Type	Active Permit
A-Class Permits	Breweries/Wineries/Distilleries	1,105
C-Class Permits	Retail Carry Outs	18,037
D-Class Permits	Bars/Clubs/Restaurants	26,247
Total		45,389

Expansion of sales areas

The bill expands the areas in which retail permit holders may sell alcoholic beverages to include certain outdoor areas and the parking lots. However, this authority sunsets on December 31, 2022. If the retail permit holder, under this provision, has outdoor sales that are on public property, the permit holder must obtain written support of either the executive officer of a municipal corporation or the township trustees of a township located in an unincorporated area. If either of these authorities do not approve such a request, the permit holder may appeal the decision to the legislative authorities of either the municipal corporation or township. There could be some minimal costs for these political subdivisions related to this provision. The retail permit holder, upon approval, must notify the Division of Liquor Control and Investigative Unit of the Department of Public Safety one day before the expansion occurs.