

## Ohio Legislative Service Commission

Office of Research and Drafting Legislative Budget Office

H.B. 629 134<sup>th</sup> General Assembly

# **Bill Analysis**

Version: As Introduced

Primary Sponsor: Rep. LaRe

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### SUMMARY

- Increases the amount of spirituous liquor that a micro-distillery (A-3a liquor permit holder) may annually manufacture from less than 100,000 gallons to less than 1 million gallons.
- Requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free, rather than requiring at least a 50¢ charge for each tasting sample as under current law.

## DETAILED ANALYSIS

#### A-3a liquor permit: manufacturing limit

The bill increases the amount of spirituous liquor (intoxicating liquor of more than 21% alcohol by volume) that a micro-distillery (A-3a liquor permit holder) may annually manufacture. Under current law, to be eligible for an A-3a permit, a micro-distillery must manufacture less than 100,000 gallons per year. The bill increases that amount to less than 1 million gallons. 1 million gallons is the equivalent of 5,047,215 750-mL bottles.<sup>1</sup>

Under current law, the Division of Liquor Control may issue two types of liquor permits to distillers of spirituous liquor, an A-3 and an A-3a liquor permit. An A-3 permit is generally issued to large distilleries (100,000 gallons or more per year) and the A-3a permit is issued to micro-distilleries (less than 100,000 gallons per year). Although both distilleries may manufacture spirituous liquor, only an A-3a permit holder may sell spirituous liquor to a personal consumer in sealed containers for consumption off the manufacturing premises.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> R.C. 4303.041(A).

<sup>&</sup>lt;sup>2</sup> R.C. 4303.04, not in the bill, and 4303.041.

Thus, the bill allows larger distilleries (via the increase in the production limit for A-3a permit holders) to sell spirituous liquor to personal consumers from their distilleries.

#### Tasting samples of spirituous liquor

The bill requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free rather than requiring at least a 50¢ charge for each tasting sample as under current law. The bill retains the following current requirements for the provision of the tasting samples:

1. The person consuming the tasting sample must be 21 or above;

2. The tasting sample must not exceed a quarter ounce;

3. The tasting event must not exceed two hours;

4. A person may not consume more than four tasting samples of spirituous liquor per day;

5. The tasting samples must be provided by a trade marketing professional, broker, or solicitor (see below);

6. The liquor agency store must hold a D-8 liquor permit, which authorizes the provision of the tasting samples; and

7. The tasting event must take place in the area of the liquor agency store in which spirituous liquor is sold.<sup>3</sup>

#### Trade marketing professionals, brokers, and solicitors

Under current law, a broker is a company that solicits sales of alcoholic beverages on behalf of a manufacturer or supplier, but does not take possession of the alcoholic beverages in Ohio, except as provided in the liquor control laws. A solicitor is an individual who solicits liquor permit holders or the Division of Liquor Control for sales of alcoholic beverages on behalf of a manufacturer, supplier, wholesale distributor, or broker, but does not take possession of the alcoholic beverages in Ohio, except as provided in the liquor control laws.<sup>4</sup> A trade marketing professional is an individual who is an employee of, or is under contract with, a trade marketing company and who has successfully completed a training program on the liquor control laws, conflict management, and safety provisions in an emergency.<sup>5</sup>

<sup>&</sup>lt;sup>3</sup> R.C. 4301.17 and 4301.171.

<sup>&</sup>lt;sup>4</sup> R.C. 4301.245(A)(1), not in the bill, by reference to Ohio Administrative Code 4301-1-01(B).

 $<sup>^{5}</sup>$  R.C. 4301.245(A)(5). A trade marketing company is a company that solicits the purchase of beer and intoxicating liquor and educates the public about beer and intoxicating liquor (R.C. 4301.171(A)(3)).

## HISTORY

Action	Date
Introduced	04-20-22

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