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OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 86*
135th General Assembly

Bill Analysis

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Version: As Reported by House Commerce and Labor

Primary Sponsor: Rep. LaRe

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SUMMARY

- Revises the limit on the gallons of spirituous liquor that a micro-distillery (A-3a liquor permit holder) may manufacture each year as follows:
 - Increases the amount from less than 100,000 gallons to any amount if the micro-distillery is issued an A-3a permit prior to the bill's effective date, regardless of whether the permit premises location or the premises' ownership is transferred and the permit holder is issued a new A-3a permit after the bill's effective date.
 - Retains the 100,000 gallon limit for a distiller that begins manufacturing spirituous liquor under an A-3a permit on and after the bill's effective date.
- 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.
- Removes grains of paradise from the list of substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.

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 certain conditions. 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

* This analysis was prepared before the report of the House Commerce and Labor Committee appeared in the House Journal. Note that the legislative history may be incomplete.

amount to any amount for a micro-distillery issued an A-3a permit prior to the bill's effective date. The removal of the 100,000 gallon limitation applies regardless of whether the permit premises location or ownership of the permit premises is transferred and the permit holder is issued a new A-3a permit. The bill retains the 100,000 gallon per year limit for a micro-distillery issued an A-3a permit on and after the bill's effective date.¹

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.² Thus, the bill allows larger distilleries (via the increase in the production limit for A-3a permit holders) to sell their 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.³

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

¹ R.C. 4303.041(A).

² R.C. 4303.04, not in the bill, and 4303.041.

³ R.C. 4301.17 and 4301.171.

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.⁴ 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.⁵

Grains of paradise as adulterated alcohol

The bill removes grains of paradise from the list of substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.⁶

HISTORY

Action	Date
Introduced	02-28-23
Reported, H. Commerce & Labor	--

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⁴ R.C. 4301.245(A)(1), not in the bill, by reference to Ohio Administrative Code 4301-1-01(B).

⁵ 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)).

⁶ R.C. 4399.15.