



Ohio Legislative Service Commission

Shannon Pleiman

Fiscal Note & Local Impact Statement

Bill: H.B. 342 of the 131st G.A. **Date:** May 25, 2016
Status: As Reported by Senate Agriculture **Sponsor:** Rep. Young

Local Impact Statement Procedure Required: No

Contents: Creates the Ohio Farm Winery Liquor Permit and makes changes to the D-5I liquor permit

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.
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Detailed Fiscal Analysis

The bill creates the A-2f liquor permit and designates it as the Ohio Farm Winery Liquor Permit. The bill will allow an A-2f permit holder to do all of the same activities as an A-2 permit holder. However, the new A-2f permit differs from the A-2 permit in that the Division of Liquor Control (DOLC) within the Department of Commerce may issue the A-2f permit to a manufacturer only if both of the following apply: (1) the manufacturer grows grapes, fruits, or other agricultural products on property owned by the manufacturer that is classified as land devoted exclusively to agricultural use, and (2) the manufacturer processes the grapes, fruits, or other agricultural products specified in item (1) into wine and sells the wine as authorized under the bill.

Presumably, A-2 permit holders that qualify for the new A-2f permit would switch to the A-2f permit. This will not have an effect on public revenues or expenditures since the fee for an A-2f permit is \$76, identical to the A-2 permit fee. Liquor permit fees are collected by DOLC and deposited into the Undivided Liquor Permit Fund (Fund 7066). These amounts are subsequently distributed to the State Liquor Regulatory Fund (Fund 5LP0) used by DOLC (45%), the local taxing district where the permit is issued (35%), and the Statewide Treatment and Prevention Fund (Fund 4750) used by the Department of Mental Health and Addiction Services (20%).

Lastly, the bill makes a change to the D-5l liquor permit population requirements. It allows a D-5l liquor permit to be issued in a municipal corporation that is wholly located within the geographic boundaries of a township, provided that the municipal corporation and the unincorporated portion of the township have a combined population density of less than 450 people per square mile. D-5l liquor permits are issued to retail food establishment or food service operation to sell beer and intoxicating liquor for consumption on the premises. As a result, this may result in a handful of new D-5l liquor permits. The fee for a D-5l liquor permit is \$2,344 and is deposited into Fund 7066 as described above.

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