



# OHIO LEGISLATIVE SERVICE COMMISSION

Terry Steele

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 522 of the 132nd G.A.

**Status:** As Passed by the Senate

**Sponsor:** Rep. Lanese

**Local Impact Statement Procedure Required:** No

**Subject:** Allows outdoor refreshment areas to include F permit holders and makes other changes

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### State Fiscal Highlights

- The Division of Liquor Control within the Department of Commerce could incur some new administrative costs to review applications from F class (temporary special event) permit holders for an outdoor refreshment area designation. Any new costs would be paid from the State Liquor Regulatory Fund (Fund 5LP0).

#### Outdoor refreshment areas for F class permit holders

The Division of Liquor Control within the Department of Commerce could incur some additional administrative costs for reviewing outdoor refreshment area designations sought by qualifying F class permit holders. F class permit holders are organizations that operate festivals that have a short duration to sell beer or intoxicating liquor. It is unclear how many more additional designation applications would result from the bill. The costs that the Division incurs for overseeing liquor permits are paid using permit fees deposited into the State Liquor Regulatory Fund (Fund 5LP0) under line item 800646, Liquor Regulatory Operating Expenses. As of this writing, there are nine approved outdoor refreshment areas that have been approved by the Division of Liquor Control.

Specifically, the bill allows an F class liquor permit holder to serve beer and intoxicating liquor outdoors in a designated outdoor refreshment area. If an outdoor refreshment area has been created, an F class permit holder that sponsors an event located in an outdoor refreshment area may apply to the Division of Liquor Control for issuance of an outdoor refreshment area designation. The Division must issue the designation if it determines that the permit holder is in compliance with all applicable liquor laws. An F class permit holder that receives a designation must: (1) comply with all laws, rules, and regulations that govern its type of permit, and the applicable requirements established for the outdoor refreshment area under current law, and (2) not block ingress or egress to the outdoor refreshment area or any other liquor permit premises located within the area. Finally, the bill clarifies that a D liquor permit holder does not include a D-6 (Sunday sales of beer or intoxicating liquor) or D-8 (sales

of growlers or tasting samples) permit holder for the purposes of laws pertaining to outdoor refreshment areas.

### **Wholesale distributor sales**

The bill allows a B class permit holder (distributor licensees) to sell at retail beer, wine, or mixed beverages that the permit holder is authorized to distribute, only by the individual drink in glass or from a container, for on-premises consumption. These sales may occur only if the sale is for an event that is hosted by the permit holder and that is either (1) for a charitable, benevolent, cultural, educational, or political purpose or (2) not open to the general public. There does not appear to be any fiscal effect related to this provision.

### **Park advertisings**

The bill authorizes a board of park commissioners of a park district to use public money to publish, advertise, or otherwise communicate information regarding activities related to a liquor permit issued to the park district. Otherwise, there is a general prohibition in law against political subdivisions using public money to promote alcoholic beverages. As a result of this provision, park districts might incur some minor new costs if they chose to advertise these events.