



# Ohio Legislative Service Commission

## Bill Analysis

Jeff Grim

### Am. H.B. 351

131st General Assembly  
(As Passed by the House)

**Reps.** Perales and DeVitis, Henne, Hackett, Butler, Ramos, Cera, Becker, Brenner, Dever, Stinziano, Ruhl, Blessing, Young, K. Smith, Brown, Buchy, McColley, Anielski, Antonio, Arndt, Baker, Boggs, Burkley, Celebrezze, Clyde, Driehaus, Duffey, Grossman, Huffman, Koehler, Kunze, Lepore-Hagan, Maag, Manning, M. O'Brien, Patterson, Retherford, Rogers, Scherer, Schuring, Sheehy, Sweeney, Thompson

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## BILL SUMMARY

- Increases the amount of spirituous liquor (intoxicating liquor of more than 21% alcohol by volume) that an A-3a liquor permit holder may annually manufacture from less than 10,000 gallons to less than 100,000 gallons.
- Allows an A-3a permit holder to obtain an A-1-A liquor permit, thus allowing the A-3a permit holder to sell beer and intoxicating liquor by the individual glass or container at specified locations at or near the A-3a permit premises.

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## CONTENT AND OPERATION

### A-3a liquor permit

#### Increase in annual manufacturing limit

The bill increases the amount of spirituous liquor (intoxicating liquor of more than 21% alcohol by volume) that an A-3a liquor permit holder may annually manufacture from less than 10,000 gallons to less than 100,000 gallons. Under current law, the Division of Liquor Control may issue an A-3a permit to a distiller to manufacture spirituous liquor. An A-3a permit holder also may sell spirituous liquor to a personal consumer in sealed containers for consumption off the premises where manufactured. However, sales to the personal consumer may occur only by an in-person transaction at the permit premises. The A-3a permit holder is prohibited from

shipping, sending, or using an H liquor permit holder (for-hire motor carrier permit) to deliver spirituous liquor to the personal consumer.<sup>1</sup>

Further, under current law, a distiller that manufactures 10,000 gallons of spirituous liquor or more annually (changed to 100,000 gallons or more by the bill) is not eligible for an A-3a permit and must obtain an A-3 liquor permit. An A-3 permit holder is not authorized to sell spirituous liquor directly to a personal consumer.<sup>2</sup>

### **Eligibility for the A-1-A liquor permit**

The bill also allows an A-3a permit holder to obtain an A-1-A liquor permit, which allows the holder to sell beer and any intoxicating liquor at retail, only by the individual drink in glass or from a container, provided that one of the following applies to the A-1-A permit premises:

(1) It is situated on the same parcel or tract of land as the related A-3a permit premises; or

(2) It is separated from the parcel or tract of land on which is located the A-3a permit premises only by public streets or highways or by other lands owned by the holder of the A-3a permit and used by the holder in connection with or in promotion of the holder's A-3a permit business.<sup>3</sup>

Under continuing law, the Division may issue an A-1-A permit to the holder of an A-1 liquor permit (large beer manufacturer, more than 31 million gallons per year), A-1c liquor permit (small beer manufacturer, 31 million gallons per year or less), or A-2 liquor permit (wine manufacturer). The fee for the A-1-A permit is \$3,906.<sup>4</sup> The holder of an A-1-A permit may sell beer and any intoxicating liquor during the same hours as the holder of a D-5 liquor permit and must obtain a license as a retail food establishment or a food service operation pursuant to Ohio's Retail Food Establishments and Food Service Operations Law and operate as a restaurant for purposes of the Liquor Permits Law.<sup>5</sup> The D-5 permit generally authorizes the retail sale of beer and intoxicating liquor for on-premises consumption at a night club or an establishment that holds a retail food establishment or food service operation license. The D-5 permit also

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

<sup>2</sup> R.C. 4303.04, not in the bill.

<sup>3</sup> R.C. 4303.021(A)(1) and (2).

<sup>4</sup> R.C. 4303.021(A) and (B).

<sup>5</sup> R.C. 4303.021(C)(1).



authorizes the retail sale of beer, wine, and intoxicating liquor for off-premises consumption.<sup>6</sup>

Additionally, the Division of Liquor Control cannot issue a new A-1-A permit to the holder of an A-1, A-1c, A-2, or, as added by the bill, A-3a permit unless the sale of beer and intoxicating liquor under class D permits is permitted in the precinct in which the A-1, A-1c, A-2, or, as added by the bill, A-3a permit is located.<sup>7</sup> Class D permits generally authorize the retail sale of beer and intoxicating liquor, as applicable, for on-premises and off-premises consumption.

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## HISTORY

ACTION	DATE
Introduced	10-01-15
Reported, H. Gov't Accountability & Oversight	02-24-16
Passed House (94-2)	04-20-16

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<sup>6</sup> R.C. 4303.18, not in the bill.

<sup>7</sup> R.C. 4303.021(D).

