



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 178 of the 131st G.A.

Date: November 13, 2015

Status: As Introduced

Sponsor: Rep. Manning

Local Impact Statement Procedure Required: No

Contents: Allows the sale of Ohio wine at farmers markets

State Fiscal Highlights

- The bill establishes the F-10 liquor permit which allows certain A-2 liquor permit holders (wine manufacturers) to sell tasting samples and sealed containers of Ohio wines manufactured by the permit holder at farmers markets.
- The Department of Commerce may incur some additional administrative cost to process the new F-10 liquor permit. However, this cost will at least be partially offset by the \$100 permit fee. Liquor permit fees are collected by the Division of Liquor Control and deposited into the Undivided Liquor Permit Fund (Fund 7066).
- This money is subsequently distributed to the State Liquor Regulatory Fund (Fund 5LP0) used by the Division of Liquor Control (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%).

Local Fiscal Highlights

- Local taxing districts where the liquor permits are issued receive a portion of liquor permit fee revenue collected by the Division of Liquor Control. The issuance of F-10 liquor permits may result in a gain in liquor permit revenue for these local taxing districts.

Detailed Fiscal Analysis

The bill establishes the F-10 liquor permit to authorize A-2 liquor permit holders (wine manufacturers) to sell tasting samples and sealed containers of Ohio wines manufactured by the permit holder at farmers markets that are registered with the Department of Agriculture. Under the bill, an F-10 liquor permit holder may only sell wine at these locations under the following conditions: (1) at least 51% of the fruit used to produce the wine is grown in Ohio, and (2) the wine label identifies an appellation of origin, in accordance with federal law, that includes all or a portion of Ohio. The bill also exempts F-10 permit holders from the requirement to be licensed as a retail food establishment under the Retail Food Establishments and Food Service Operations Law. Lastly, it exempts a person that has an opened container of wine at a farmers market that is served for on-premises consumption by an F-10 permit holder from the Open Container Law.

Currently, there are approximately 230 A-2 liquor permits that have been issued by the Division of Liquor Control (DOLC) within the Department of Commerce and that could be eligible to apply for an F-10 liquor permit. The fee for an F-10 liquor permit is \$100. DOLC may incur a minimal administrative cost to process the new liquor permits. However, this cost would be offset by the \$100 annual fee for the F-10 liquor permit. Liquor permit fees are collected by DOLC and deposited into the Undivided Liquor Permit Fund (Fund 7066), and then 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%).