

## Senate Bill 173 – What You Need to Know

Senate Bill 173 goes in effect July 10. Over the past months OGA worked collectively with the Ohio Spirits Association, Diageo, Ohio Licensed Beverage Association, Wholesale Beer and Wine Association of Ohio, Anheuser-Busch and MillerCoors on this legislation to ensure its passage.

- **F-8 Permit Change:**
  - **Background:** All F permits are temporary permits – the F-8 permit is for a large urban public place operated by a government/public entity (Fountain Square in Cincinnati is an example). Currently, they can “relinquish” their alcohol privileges to an F-2 permit holder (an association or lodge that is a non-profit) that buys beer or wine for the event and then sells it to attendees.
  - **SB 173 would allow for the F-8 permit holder to relinquish its rights to an F-6 permit holder (F-6 permit is a charitable organization who may have had wine Donated to them and they sell to attendees at the charitable event). This change allows a charity that has alcohol product donated to them (as opposed to requiring them to buy it from a wholesaler) be allowed to do events on an F-8 permit premise.**
- **Spirituos Liquor**
  - **Background:** In 2011, OGA and interested parties worked with the Ohio General Assembly to create the opportunity for spirituous liquor to be tasted at state liquor agency stores; mirrored after similar beer and wine tastings that had been allowed for years.
  - **SB 173 will allow the person conducting the tasting of spirituous liquor to pay for the product at the outset of the event which would be the same as current law for on premise tastings of beer, wine and spirituous liquor thus making sure the retailers are being made whole**
  - **SB 173 moves the number of tastings at a location from 5 per month to 10 per month given the specific criteria are met and requires specified individuals that offer such tasting samples to provide notice to the Division of Liquor Control regarding the tasting event 10 business days prior to the event, rather than 5 days prior.**
- **Beer, Wine, or Mixed Beverage Tastings**
  - **Background:** Under current law, the D-8 liquor permit may be issued to an agency store, or to the holder of C-1, C-2 or C-2x liquor permit that is a retail store and that has either of the following characteristics:
    - Has at least 5,000 sq. feet of floor area, and it generates more than 60% of its sales in general merchandise items and food for consumption off the premises where sold; or
    - Wine constitutes at least 60% of the value of the store’s inventory
  - **SB 173 expands the type of establishment for which the D-8 permit may be issued for purposes of the sale of tasting samples of beer, wine, or mixed beverages.**

- It also authorizes a D-8 permit to be issued to the holder of a C-1, C-2, or C-2x permit that meets all the following characteristics:
  - Located in a municipal corporation or township with a population of 5,000 or less;
  - Has at least 4,500 sq. feet of floor area; and
  - Generates more than 60% of its sale in general merchandise items and food consumption off the premises where sold.
- This addresses an issue for smaller retailers who want to do tastings and applies to all 88 counties.
- SB 173 also changes the procedures with the individuals serving samples and conducting product instruction of beer, wine, or mixed beverages on the premise of a C-1, C-2, or C-2x permit holder who holds a D-8 permit.
  - Authorizes that a manufacturer, supplier, or broker of beer, wine, or mixed beverages, or its agent, solicitor, or salesperson may conduct the sampling – free of charge – to the consumer (ex. MillerCoors/ Anheuser-Busch)
  - In this circumstance, the person conducting the sampling is not required to obtain a retail liquor permit under the Liquor Control Law.
  - The manufacture, supplier, ex. serving the samples must purchase the product from the D-8 permit holder at retail price.
  - Important information to note on this provision:
    - Wholesale Distributors are excluded from this new authorization
    - This law does not change current practices with regard to samplings
      - The persons described above, along with wholesale distributors, may continue to conduct samplings under continuing law and provide serving samples of beer and intoxicating liquor on the premises of a retail permit holder who may sell products for on-premises consumption.
      - The D-8 permit holder (ie Grocery store owner) must continue to charge for the tastings offered if they themselves are conducting the sale.
      - All current amounts remain true – size may not exceed two ounces and not more than four tasting samples may be provided per person per day.