## As Introduced

# 130th General Assembly Regular Session 2013-2014

### H. B. No. 499

#### **Representative Young**

Cosponsors: Representatives Adams, J., Blessing, Grossman, Patterson

A BILL

To amend section 4303.041 of the Revised Code to	1
allow an A-3a liquor permit holder to annually	2
sell a certain amount of spirituous liquor in	3
sealed containers for off-premises consumption	4
without entering into an agreement with the	5
Division of Liquor Control to sell the spirituous	6
liquor as an independent contractor as required	7
under current law and to allow the permit holder	8
to retain the mark-up value of the spirituous	9
liquor sold under those circumstances.	10

#### BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1.	That	section	4303.041	of	the	Revised	Code	be	11
amended to read	as fo	ollows:							12

Sec. 4303.041. (A) An A-3a permit may be issued to a 13 distiller that manufactures less than ten thousand gallons of 14 spirituous liquor per year. An A-3a permit holder may sell to a 15 personal consumer, in sealed containers for consumption off the 16 premises where manufactured, spirituous liquor that the permit 17 holder manufactures, but sales to the personal consumer may occur 18 only by an in-person transaction at the permit premises. The A-3a 19

permit holder shall not ship, send, or use an H permit holder to	20
deliver spirituous liquor to the personal consumer.	21
"Distiller" means a person in this state who mashes,	22
ferments, distills, and ages spirituous liquor.	23
(B)(1) Except as otherwise provided in this section, no A-3a	24
permit shall be issued unless the sale of spirituous liquor by the	25

glass for consumption on the premises or by the package for26consumption off the premises is authorized in the election27precinct in which the A-3a permit is proposed to be located.28

(2) Division (B)(1) of this section does not prohibit the
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issuance of an A-3a permit to an applicant for such a permit who
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has filed an application with the division of liquor control
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before the effective date of this amendment March 22, 2012.
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(C)(1) An A-3a permit holder may offer for sale tasting 33 samples of spirituous liquor. The A-3a permit holder shall not 34 serve more than four tasting samples of spirituous liquor per 35 person per day. A tasting sample shall not exceed a quarter ounce. 36 Tasting samples shall be only for the purpose of allowing a 37 purchaser to determine, by tasting only, the quality and character 38 of the spirituous liquor. The tasting samples shall be offered for 39 sale in accordance with rules adopted by the division of liquor 40 control. 41

(2) An A-3a permit holder shall sell not more than one and
one-half liters of spirituous liquor per day from the permit
premises to the same personal consumer.

An (D)(1) Except as provided in division (D)(2) of this45section, an A-3a permit holder may sell spirituous liquor in46sealed containers for consumption off the premises where47manufactured as an independent contractor under agreement, by48virtue of the permit, with the division of liquor control. The49

price at which the A-3a permit holder shall sell each spirituous 50 liquor product to a personal consumer is to be determined by the 51 division of liquor control. For an A-3a permit holder to purchase 52 and then offer spirituous liquor for retail sale, the spirituous 53 liquor need not first leave the physical possession of the A-3a 54 permit holder to be so registered. The spirituous liquor that the 55 A-3a permit holder buys from the division of liquor control shall 56 be maintained in a separate area of the permit premises for sale 57 to personal consumers. The A-3a permit holder shall sell such 58 spirituous liquor in sealed containers for consumption off the 59 premises where manufactured as an independent contractor by virtue 60 of the permit issued by the division of liquor control, but the 61 permit holder shall not be compensated as provided in division 62 (A)(1) of section 4301.17 of the Revised Code. Each A-3a permit 63 holder shall be subject to audit by the division of liquor 64 control. 65

(D) (2) An A-3a permit holder in this state may sell not more 66 than seven hundred fifty gallons per year of spirituous liquor in 67 sealed containers for consumption off the premises where 68 manufactured without entering into an agreement with the division 69 of liquor control as an independent contractor. The retail price 70 for any spirituous liquor sold pursuant to division (D)(2) of this 71 section shall be the same as the retail price of any spirituous 72 liquor sold pursuant to division (D)(1) of this section. 73

For each container of spirituous liquor sold pursuant to 74 division (D)(2) of this section, the permit holder shall retain an 75 amount equal to the permit holder's invoice price plus the 76 difference between the invoice price per container and the retail 77 price set by the division of liquor control for the sale of that 78 same variety of spirituous liquor pursuant to division (B)(4) of 79 section 4301.10 of the Revised Code minus all applicable taxes. 80 The permit holder shall pay all applicable taxes on spirituous 81

liquor sold at the permit premises; however, the division shall	82
not collect any mark-up value that the division would otherwise be	83
entitled to receive if the spirituous liquor were sold in an	84
<u>agency store.</u>	85
(E) The fee for the A-3a permit is two dollars per	86
fifty-gallon barrel.	87
(E)(F) The holder of an A-3a permit may also exercise the	88
same privileges as the holder of an A-3 permit.	89
Section 2. That existing section 4303.041 of the Revised Code	90
is hereby repealed.	91