



THE WHOLESALE BEER AND WINE ASSOCIATION OF OHIO

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Testimony on House Bill 669
Ohio House Committee on Commerce and Labor
Representative Gayle Manning, Chair
Jacob C. Evans, Counsel for Legislative Affairs

Chair Manning, Vice Chair Dean, Ranking Member Lepore-Hagan and members of the House Commerce and Labor Committee, thank you for the opportunity today to express the opinions of the Wholesale Beer and Wine Association of Ohio on House Bill 669.

The WBWAO represents family owned beer, wine and mixed beverage distributors throughout Ohio. In addition to alcohol beverages, our members also distribute water, juice and other beverages. As we have shared with everyone on the Committee and the Sponsors, the WBWAO had several items in which we offered input.

First, in regards to the expansion of permit premises, the involvement of regulators and law enforcement at some point in the process should be required. At a bare minimum, requiring the expansion be provided to the Division of Liquor Control in order for them to know where alcohol beverages are being legally sold is necessary in order to ensure compliance with Ohio's liquor laws.

Second is the sale of "to-go" alcohol beverages or cocktails. Current law allows an on premise permit holder to sell beer, wine and mixed beverages in SEALED containers for home consumption. The proposed change would allow the same permit holder to sell beer, wine and mixed beverages AND spirituous liquor in CLOSED containers. This would allow a bar or restaurant to sell a tall draft beer, a 9 ounce glass of wine or a double bourbon in a cup with a lid. With no definition of "closed," we would suggest that language be included that provides direction for retailers as to what "closed" means; this could be similar to the "merlot to go" language that requires it to be "securely sealed by the permit holder . . . in such a manner that it is visibly apparent if the container has been subsequently opened or tampered with and not easily accessible by the driver. (4301.62(E)(1) & (2)).

Next is the delivery of alcohol by third parties. Today, entities such as Instacart, DoorDash, Amazon, and Shipt are among the over 350 H permit holders in Ohio. An H permit allows a third party to deliver alcohol. If the Legislature determines that cocktails to go is appropriate, than no change to Ohio law is mandated to allow either the permit holder (i.e. the restaurant) or the third party delivery company (i.e. DoorDash) to deliver the alcohol. The privileges of the D permit holder (the restaurant) and the delivery company (DoorDash) would allow these deliveries to occur.

Fourth, the WBWAO would like to express our opposition to the language that allows an A-3a permit holder to make delivery of spirituous liquor. The most immediate issues that arise from this change are in regards to a 2005 US Supreme Court decision in *Granholm v Heald* that made clear that in state and out of state producers of alcohol must be treated the same. Thus, allowing an in-state A-3a permit holder to deliver spirituous liquor would require Ohio to allow out of state spirituous liquor to ship alcohol to Ohio residents. This would be spirituous liquor that is sold outside of Ohio's orderly spirituous liquor system and therefore could jeopardize economic development dollars from JobsOhio.

Finally, on a more technical note, we have had discussions with several interested parties regarding the use of "retail permit holder" in the bill being a certain class of permit holders that are not in fact retailers but manufacturers. For consistency throughout Chapter 43 of the Revised Code, we support the change from "retail permit holder" to "qualified permit holder."

On behalf of the WBWAO, thank you for the opportunity to offer our insights and we are happy to answer any questions the Committee may have on HB 669.