



# OHIO HOUSE OF REPRESENTATIVES

## *Office of Representative John Becker*

### **Senate Sponsor Testimony for House Bill 674**

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Chairman Hoagland, Vice Chairman Schaffer, Ranking Member O'Brien, and members of the Senate Agriculture and Natural Resources Committee, thank you for the opportunity to provide sponsor testimony on House Bill 674, which among other important provisions contains the core of a bill known as the SALES (Sunday Alcohol, Liquor, and Especially Spirits) Act that I initially introduced in 2018. Since introducing that bill, I have worked with dozens of interested parties to ensure that our finished product is a cocktail of success. HB 674 makes numerous transformative changes to the manufacturing, delivery and sale of alcoholic beverages.

A constituent of mine contacted me when she experienced an endless regulatory maze while attempting to expand her barbeque restaurant, and inspired the provisions that I'd like to highlight today. Rep. Hillyer and I believe that this same problem exists in the nearly 9,000 precincts located throughout the state. At about half of the liquor permit holders in Ohio, Sunday sales of liquor are currently prohibited. The only way to obtain Sunday sales privileges is to conduct research on the wet/dry status of the precinct in which the property is located, hold an expensive election which almost always results in voters supporting Sunday sales, and then pay a yearly fee for a D-6 liquor permit that only allows for sales on part of one day.

An establishment attaches the D-6 permit to their other permits to allow for Sunday sales. Due to tweaks in the law over the decades, off-premise retailers (grocery stores and convenience stores) pay \$400 per year, and on premise retailers (bars and restaurants) pay \$500. Again, because of changes that we have made, some retailers may sell at 10:00am on Sunday, and others may not sell until 11:00am on Sunday.

For the past 87 years, the Ohio Legislature has reserved the exclusive right to change liquor laws to ourselves, and so we stand here today to explain why we believe the General Assembly should once again exercise our right regarding the regulatory certainty needed for Sunday sales. This portion of HB 674 would treat Sundays and holidays like other days of the week with regard to selling privileges by eliminating the D-6 permit. However, it's important to note that the version passed by the House includes a provision which allows ballot access for the limited number of precincts which have voted "no" in the past 10 years.

Continuing law provides important remedies by which the voters of a precinct can challenge unscrupulous liquor permit holders via three means: issuance of the liquor license; renewal of the liquor license; and determination that the permit holder is creating a public nuisance.

When Sunday sales were first permitted in Ohio in 1982, only the precinct-wide vote was available, so the entire precinct voted to be wet or dry for Sunday everywhere in the precinct. All sales began at 1:00PM.

In 1998, the legislature established the single-site election, allowing the voters to vote on a single parcel of property instead of wetting up the entire precinct. This created more opportunities for elections to occur. Because of this change, the Westerville location of former grocery chain Big Bear became the first retailer in that city to get liquor sales, and they also passed a Sunday sales question.

In the early 2000's, the legislature added a 10:00 AM Sunday sales question because some retailers wanted to sell earlier. A couple of years later, the legislature passed a bill to make all of the remaining 1:00pm licenses automatically change to 11:00am sales. In this case, there was no vote of the people, just a unilateral act of the legislature.

At this point, it is also important to point out that all D-6 permit holders may sell beer at 5:30am, causing one more layer of confusion.

In our opinion, the burdensome cost to the hospitality industry should now be taken into account, and we urge your strong support for HB 674. Small business owners are experts in their craft, but they shouldn't have to be experts in bureaucracy too.

Thank you Chairman Hoagland for the opportunity to provide sponsor testimony on HB 674. We would like to thank the members of the committee for your consideration of HB 674, and we welcome any questions you may have.