



OHIO HOUSE OF REPRESENTATIVES

State Representative Brett Hillyer

House Bill 674 – Revising Ohio’s Alcohol Sales Laws
House Commerce & Labor Committee Testimony
Thursday, May 28, 2020

Chairwoman Manning, Vice Chair Dean, Ranking Member Lepore-Hagan and members of the House Commerce and Labor Committee, thank you for the opportunity to testify today on behalf of House Bill 674, a bill designed to modernize Ohio’s antiquated alcohol laws and help businesses recover from the economic disparities of COVID-19.

For the past two months, bars and restaurants across Ohio were forced to close their doors and halt service to customers. The lucky ones were able to sustain with carry-out and delivery only options. It is a grim reality that since this route only brings in so much revenue, many will not be able to reopen as a result of the mandated closures.

For weeks I have heard from bars, restaurants, grocery stores, craft breweries and other interested parties in the beer, wine and spirits industries that have been pleading for change. House Bill 674 is multifaceted in nature and focuses on five things. It (1) ensures restaurants and bars have due process, (2) streamlines the locals’ ability to establish Designated Outdoor Refreshment Areas, or DORAs, (3) allows for Sunday sales, (4) creates two new permits, and (5) and modernizes the laws in the beer industry.

1: Amnesty and Due Process. Ohio bars and restaurants have felt the heavy hand of government punish them for not following unclear and stringent guidelines. House Bill 674 grants amnesty for retail permit operators until June 1 and ensures due process to all permit holders by allowing them the opportunity to defend their case through an administrative hearing.

Additionally, the bill sets a maximum fine of up to \$300 that permit holders must pay if they are found violating social distancing guidelines. Restaurants and bars can surely help play a role to enforce social distancing, but should not be subject to unfair and excessive fines while they are trying to recover from losses.

2: Revise the DORA. Restaurants and bars have gradually reopened and are attempting to navigate this new landscape. There remains very real health and safety concerns, and the patrons who frequent these establishments need confidence their health is not at risk. Therefore this bill streamlines the ability for local townships and municipalities to create Designated Outdoor Refreshment Areas, or most commonly known as DORAs, as prescribed in the Ohio Revised Code.

This legislation eliminates population requirements and reduces the number of retail permit holders needed in the DORA from four to two. There have been proposals in Cincinnati and Cleveland to close certain roads to vehicle traffic and create pedestrian districts during dining hours. Local businesses should be able to work with their local governments to uniquely address their individual needs. During this crisis we need to be innovate in how we can help those who need us most: our small businesses and working Ohioans.

3: Sunday Sales. During the near two month closure, the simple allowance for carry-out drinks was a lifeline for restaurants and bars. Adding an extra day of the week could prevent some retailers from closing for good.

More than 12,000 retailers have utilized the D-6 permit; however, currently the only way for many retailers to obtain a D-6 permit is to endure a time consuming and expensive effort to put their establishment on the ballot. Collecting signatures and going door-to-door is currently not possible, and modernizing Ohio’s antiquated Sunday sales law is long overdue. Therefore I am proposing to eliminate the D-6 permit altogether. Those who already have the ability to sell on Sunday would be free of the \$500 permit fee.

4: Hours of Sale. House Bill 674 would create two new permits that would allow permit holders expanded opportunities for increased revenue. The J- permit would allow retailers to expand their time of sale until 4:00 a.m. The K- permit would allow retailers to expand to 24/7 sales with the approval of local voters. It is important to note that many retailers may choose not to obtain these permits. However, the State should not be shuttering opportunities for those businesses that do want to utilize the J- and K- permits if their localities allow it.

5: The Beer Clarity Act. Finally, House Bill 674 revises laws regulating the beer industry. This provision of the bill was agreed upon and provided in collaboration with the Ohio Craft Brewers Association, the Wholesale Beer & Wine Association of Ohio, Anheuser Busch/InBev, MillerCoors and Diageo.

Some of the measures include: allow non-profit organizations to obtain a temporary permit for an event on a manufacturer's property, raise the limit of free glassware a manufacturer may provide to a retailer to four cases per year, standardizing food service requirements for A-1-A permit holders, and creating festival permits exclusively for events that promote beer manufactured in Ohio.

The intent of this bill is to modernize our liquor laws and be innovative in our approach to help provide relief for those that have been affected by the global pandemic and beyond. I introduced this legislation to take action on the dozens of concerns that were brought to my attention. This is more than helping business. This is about helping people. Our mom and pop shops that line Main Street, our family members who work at these establishments and our friends and neighbors who frequent these spaces in our communities.

Thank you again for allowing me to provide testimony on House Bill 674. At this time I will be happy to answer any questions from members of the committee.