

**Testimony before the
House Commerce and Labor Committee
Re: House Bill 46, Exempt certain liquor permit holders from 2021 renewal**

**By: Mary MacDonald
Executive Director
Ohio Craft Brewers Association**

March 8, 2021

Chairman Stein, Vice Chairman Johnson, Ranking Member Lepore-Hagan and members of the Committee,

Thank you for the opportunity to testify on behalf of the 360 small and independent craft breweries in Ohio. I would like to express our support for House Bill 46. This bill contains measures that would exempt our A1c (manufacturing) and A1A (brewpub) licensed craft breweries from the requirement to renew their licenses in 2021 and extend the renewal until October 2022. It also eliminates the restriction on gift certificates that limits spending for on-premises consumption to 30% of the total value of the certificate or card.

The Ohio Craft Brewers Association is the membership guild that represents Ohio's small, independent breweries. In the past decade, our businesses have grown exponentially in number. Eight years ago, there were only 50 craft breweries in the state. Today there are 360 operating craft breweries and several dozen more in planning. Before the pandemic, our businesses directly employed more than 7,000 Ohioans and supported another 2,500 jobs in related industries. Measures like those proposed in HB 46 will help us rebuild and grow the craft brewing industry, rehire our employees and hopefully continue to spur economic development across the state.

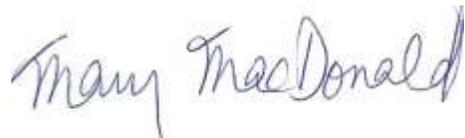
On-premise consumption in taprooms has historically been the lifeblood of most of our Ohio craft breweries. Each permit holder pays from one thousand to several thousand dollars per year for the privilege of operating a tasting room or brewpub. The pandemic closures and curfews as well as the reduced occupancies in place for the separation of parties, has had a critically negative impact on many of our member businesses. Recent surveys of membership indicate that 90% of them are still operating at reduced capacity. Seventy-five percent report being between 26%-75% of pre-pandemic capacity. Fifty percent report revenue declines in 2020 of 20%-40%. We wholeheartedly support postponing the collection of licensing fees to 2022 and giving our small businesses another opportunity to save money and rebuild their businesses.

Now that our venues have reopened at varying capacities, they are still doing so safely by following the regulations and ensuring proper spacing between tables and parties. This makes the economics operating a continuing challenge. The sale of gift cards and certificates was one of the methods that we have touted throughout the pandemic as a means of supporting our independent businesses to help them survive. It is improbable that the purchasers were aware of any limit to their future usage of those certificates. We would welcome the ability to use any portion of a gift card for the consumption of food and drink, without an indiscriminate limit on what portion can be spent on alcohol being consumed at the venue.

On behalf of our organization and members as well as the entire Ohio hospitality industry, I encourage you to pass House Bill 46. This initiative supports businesses that were deemed essential during the pandemic, but who were all critically impacted by the cessation of on-premise drinking and dining. Our workforce represented hundreds of thousands of Ohioans and we need all the help that we can get in efforts to stimulate the economy and get all of our employees back to work.

If passed, this measure will not only help to support Ohio's growing craft brewing industry, but also our bars, distilleries, restaurants and wineries, Furthermore, it will give consumers more options for enjoying locally crafted beverages safely at Ohio's taprooms, bars and restaurants.

In 2019, Ohio craft breweries produced an estimated 1.35 million barrels of beer. That makes Ohio sixth nationally in craft beer production. Ohio's craft breweries and related industries generate \$967 million to the state economy. I strongly urge you to pass House Bill 46. It is a positive move for Ohio's craft brewers, our employees and Ohio's economy. Thank you for your time and consideration.

A handwritten signature in blue ink that reads "Mary MacDonald". The signature is written in a cursive, flowing style.

Mary MacDonald
Executive Director
Ohio Craft Brewers Association