



State Representative Tim Barhorst

*House Bill 306 Sponsor Testimony
House Commerce & Labor Committee
November 14th, 2023*

Chairman Johnson, Vice-Chair Manchester, Ranking Member McNally and members of the House Commerce & Labor Committee, thank you for the opportunity to provide sponsor testimony on House Bill 306.

This legislation seeks to address a long-standing burden for craft breweries in Ohio by exempting them from our state's Alcohol Franchise Law. For nearly half a century, current franchise law has governed the brewing industry and no significant changes or adjustments have been made to reflect current market dynamics.

Craft breweries in Ohio are resilient small businesses who have been catalysts for economic development no matter the place, from rural small towns to urban population centers. They are responsible for creating jobs, driving community revitalization, and being a source of entrepreneurial innovation.

Today, there are over 400 craft breweries in Ohio and many of us can probably name one that operates in our districts or a place where some of the beer they produce can be happily consumed.

HB 306 allows craft breweries who produce 250,000 barrels of beer or less to have the flexibility to enter into agreements that work best for their distribution needs. This provision is guided by the logic that Ohio's small businesses should be given the space to determine what is best for their models to succeed. It also eliminates the threat of any cost burden on the part of craft breweries, who do not have the resources to sustain litigation against million-dollar distributors to end a contract.

It should be highlighted that this bill will not negatively impact the distributors and their business given craft breweries make up a small percentage of alcohol sales overall. HB 306 simply provides the space for both parties to negotiate and enforce contracts like any other agreement.

Chairman Johnson and members of the committee, thank you again for the opportunity to provide sponsor testimony on HB 306 and we will be happy to answer any questions at this time.