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Ohio Senate Agriculture and Natural Resources Committee

Chairman Schaffer, Vice Chair Landis, Ranking member Hicks-Hudson, and members of the Senate Agriculture and Natural Resources committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 13.

Senate Bill 13 returns an individual freedom to Ohioans by legalizing the distilling of liquor for personal consumption without government approval. For centuries, people have been making beer, wine, and many types of spirituous liquor, and the process has only become safer and more sanitary as time goes on.

For far too long, the federal government has treated small and large entrepreneurs differently and its excise tax on whiskey in the 1790s was no different. It taxed small producers at 9 cents a barrel and large distillers at 6 cents a barrel with other tax breaks and discounts for the more they made. This led to the Whiskey Rebellion where George Washington himself had to travel to Pittsburgh, PA with 13,000 militiamen in order to collect the newly instated "whiskey excise tax." It was a failure in the 1790s and eventually repealed. During the Civil War, it was reintroduced as a method to increase tax revenue. Since the "1862 Revenue Act" was passed, the federal government has made it illegal to make one's own liquor in the United States to ensure taxes were generated and collected on all that was made, and ever since then there have been "moonshiners" practicing the craft.

When small businesses wish to enter the liquor industry they are left with two options;

1. Learn and understand the science of distilling and operate illegally or

2. Pay thousands in fees to overcome the barriers to entry the government puts in place to protect existing distillers at the expense of ingenuity and competition.

Most people choose to create the product illegally until they are comfortable and confident enough with what they have made to open a legal tax generating business. In the process of discovering the right recipe and aging techniques for each product, one will want to share what they have made with family, friends, and co-workers to get feedback and make their product better. It should not be illegal for a person to develop a business plan and product when it is legal for them to officially create the business and sell the product, once they file the paperwork.

In recent years, the state of Ohio has seen a boon from craft breweries, which has been economically beneficial to the communities in which they operate. If we prevent the government from being the first obstacle to business we could potentially see boon from craft distilleries as well.

You may say, distilling one's own liquor is still illegal according to federal law, and to that I say, so is marijuana, but we have passed laws to allow it in this state. In short, I feel that this will help spur economic development and business, rather than take away from it. Additionally, it should not be illegal for people to make liquor for personal consumption to drink in their own house without any interstate commerce involved.

I will be happy to answer any questions at this time.

Frank Hayward