85th House District Shelby County Champaign County Logan County (Part)

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Tim Barhorst State Representative Ohio House of Representatives

Ohio's Alcoholic Beverages Franchise Act of 1974 imposes an outdated burden on craft breweries. Originally designed for an era before craft breweries existed, this law locks breweries into selfrenewing contracts and forces costly litigation to resolve disputes—unlike standard contract law, which allows an aggrieved party to terminate an agreement and defend that decision later if challenged. Under current law, craft breweries are trapped unless their distributor releases them or they endure an expensive legal fight.

Ohio's craft breweries—over 400 strong—are small businesses that fuel economic growth across our state, from rural towns to urban centers. They create jobs, revitalize communities, and embody entrepreneurial spirit. Yet, they've been shackled by 50-year-old franchise rules that no longer reflect today's market realities. House Bill 194 changes that by exempting breweries producing 250,000 barrels or less from these constraints, restoring their ability to operate under normal contract law.

This isn't about harming distributors—craft breweries account for a small fraction of alcohol sales, so this shift poses no significant threat to their business. Instead, HB 194 empowers both parties to negotiate fair, enforceable agreements like any other industry, fostering flexibility and innovation. It's a commonsense update that trusts Ohio's small businesses to chart their own paths to success.

Chairman Thomas and committee members, thank you again for this opportunity. I welcome your questions on HB 194.

Tim Barhorst State Representative | District 85