

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 465

Representative Upchurch

Cosponsors: Representatives Mohamed, Williams, Brennan, Fischer

To amend sections 4303.271, 5743.15, and 5743.61 of
the Revised Code to require the renewal of
various licenses or permits related to liquor,
tobacco, and vapor products within forty-eight
hours of filing.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4303.271, 5743.15, and 5743.61 of
the Revised Code be amended to read as follows:

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Sec. 4303.271. (A) Except as provided in divisions (B) and
(D) of this section, the holder of a permit issued under
sections 4303.02 to 4303.232 of the Revised Code, who files an
application for the renewal of the same class of permit for the
same premises, shall be entitled to the renewal of the permit.
The division of liquor control shall renew the permit unless the
division rejects for good cause any renewal application, subject
to the right of the applicant to appeal the rejection to the
liquor control commission.

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(B) The legislative authority of the municipal
corporation, the board of township trustees, or the board of
county commissioners of the county in which a permit premises is

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located may object to the renewal of a permit issued under 20
sections 4303.11 to 4303.183 of the Revised Code for any of the 21
reasons contained in division (A) of section 4303.292 of the 22
Revised Code. Any objection shall be made no later than thirty 23
days prior to the expiration of the permit, and the division 24
shall accept the objection if it is postmarked no later than 25
thirty days prior to the expiration of the permit. The objection 26
shall be made by a resolution specifying the reasons for 27
objecting to the renewal and requesting a hearing, but no 28
objection shall be based upon noncompliance of the permit 29
premises with local zoning regulations that prohibit the sale of 30
beer or intoxicating liquor in an area zoned for commercial or 31
industrial uses, for a permit premises that would otherwise 32
qualify for a proper permit issued by the division. The 33
resolution shall be accompanied by a statement by the chief 34
legal officer of the political subdivision that, in the chief 35
legal officer's opinion, the objection is based upon substantial 36
legal grounds within the meaning and intent of division (A) of 37
section 4303.292 of the Revised Code. 38

Upon receipt of a resolution of a legislative authority or 39
board objecting to the renewal of a permit and a statement from 40
the chief legal officer, the division shall set a time for the 41
hearing and send by certified mail to the permit holder, at the 42
permit holder's usual place of business, a copy of the 43
resolution and notice of the hearing. The division shall then 44
hold a hearing in the central office of the division, except 45
that, upon written request of the legislative authority or 46
board, the hearing shall be held in the county seat of the 47
county in which the permit premises is located, to determine 48
whether the renewal shall be denied for any of the reasons 49
contained in division (A) of section 4303.292 of the Revised 50

Code. Only the reasons for refusal contained in division (A) of 51
section 4303.292 of the Revised Code and specified in the 52
resolution of objection shall be considered at the hearing. 53

The permit holder and the objecting legislative authority 54
or board shall be parties to the proceedings under this section 55
and shall have the right to be present, to be represented by 56
counsel, to offer evidence, to require the attendance of 57
witnesses, and to cross-examine witnesses at the hearing. 58

(C) An application for renewal of a permit shall be filed 59
with the division at least fifteen days prior to the expiration 60
of an existing permit, and the existing permit shall continue in 61
effect as provided in section 119.06 of the Revised Code until 62
the application is approved or rejected by the division. Any 63
holder of a permit, which has expired through failure to be 64
renewed as provided in this section, shall obtain a renewal of 65
the permit, upon filing an application for renewal with the 66
division, at any time within thirty days from the date of the 67
expired permit. A penalty of ten per cent of the permit fee 68
shall be paid by the permit holder if the application for 69
renewal is not filed at least fifteen days prior to the 70
expiration of the permit. If there are no objections filed under 71
this section, the division shall issue a renewal of a permit not 72
later than forty-eight hours after an application for renewal is 73
filed. 74

(D) (1) Annually, the tax commissioner shall examine the 75
department of taxation's records for the horse-racing, alcoholic 76
beverage, motor fuel, petroleum activity, sales or use, 77
cigarette, other tobacco products, employer withholding, 78
commercial activity, and gross casino revenue tax and gross 79
receipts taxes levied pursuant to section 5739.101 of the 80

Revised Code for each holder of a permit issued under sections 81
4303.02 to 4303.232 of the Revised Code to determine if the 82
permit holder is delinquent in filing any returns, submitting 83
any information required by the commissioner, or remitting any 84
payments with respect to those taxes or any fees, charges, 85
penalties, or interest related to those taxes. 86

If any delinquency or liability exists, the commissioner 87
shall send a notice of that fact to the permit holder in the 88
manner provided in section 5703.37 of the Revised Code. The 89
notice shall specify, in as much detail as is possible, the 90
periods for which returns have not been filed and the nature and 91
amount of unpaid assessments and other liabilities and shall be 92
sent on or before the first day of the third month preceding the 93
month in which the permit expires. The commissioner also shall 94
notify the division of liquor control of the delinquency or 95
liability, identifying the permit holder by name and permit 96
number. 97

(2) (a) Except as provided in division (D) (4) of this 98
section, the division of liquor control shall not renew the 99
permit of any permit holder the tax commissioner has identified 100
as being delinquent in filing any returns, providing any 101
information, or remitting any payments with respect to the taxes 102
listed in division (D) (1) of this section as of the first day of 103
the sixth month preceding the month in which the permit expires, 104
or of any permit holder the commissioner has identified as 105
having been assessed by the department on or before the first 106
day of the third month preceding the month in which the permit 107
expires, until the division is notified by the commissioner that 108
the delinquency, liability, or assessment has been resolved. 109

(b) (i) Within ninety days after the date on which the 110

permit expires, any permit holder whose permit is not renewed 111
under this division may file an appeal with the liquor control 112
commission. The commission shall notify the tax commissioner 113
regarding the filing of any such appeal. During the period in 114
which the appeal is pending, the permit shall not be renewed by 115
the division. The permit shall be reinstated if the permit 116
holder and the commissioner or the attorney general demonstrate 117
to the liquor control commission that the commissioner's 118
notification of a delinquency or assessment was in error or that 119
the issue of the delinquency or assessment has been resolved. 120

(ii) A permit holder who has filed an appeal under 121
division (D)(2)(b)(i) of this section may file a motion to 122
withdraw the appeal. The division of liquor control may renew a 123
permit holder's permit if the permit holder has withdrawn such 124
an appeal and the division receives written certification from 125
the tax commissioner that the permit holder's delinquency or 126
assessment has been resolved. 127

(3) A permit holder notified of delinquency or liability 128
under this section may protest the notification to the tax 129
commissioner on the basis that no return or information is 130
delinquent and no tax, fee, charge, penalty, or interest is 131
outstanding. The commissioner shall expeditiously consider any 132
evidence submitted by the permit holder and, if it is determined 133
that the notification was in error, immediately shall inform the 134
division of liquor control that the renewal application may be 135
granted. The renewal shall not be denied if the delinquency or 136
unreported liability is the subject of a bona fide dispute as to 137
the validity of the delinquency or unreported liability and is 138
the subject of an assessment and of an appeal properly filed by 139
the permit holder. 140

(4) If the commissioner concludes that under the 141
circumstances the permit holder's delinquency or liability has 142
been conditionally resolved, the commissioner shall allow the 143
permit to be renewed, conditioned upon the permit holder's 144
continuing performance in satisfying the delinquency and 145
liability. The conditional nature of the renewal shall be 146
specified in the notification given to the division of liquor 147
control under division (D) (1) of this section. Upon receipt of 148
notice of the resolution, the division shall issue a conditional 149
renewal. If the taxpayer defaults on any agreement to pay the 150
delinquency or liability or fails to keep subsequent tax or fee 151
payments current, the liquor control commission, upon request 152
and proof of the default or failure to keep subsequent tax or 153
fee payments current, shall indefinitely suspend the permit 154
holder's permit until all taxes or fees and interest due are 155
paid. 156

(5) The commissioner may adopt rules to assist in 157
administering the duties imposed by this section. 158

Sec. 5743.15. (A) Except as otherwise provided in this 159
division, no person shall engage in this state in the wholesale 160
or retail business of trafficking in cigarettes or in the 161
business of a manufacturer or importer of cigarettes without 162
having a license to conduct each such activity issued by a 163
county auditor under division (B) of this section or the tax 164
commissioner under divisions (C) and (F) of this section. On 165
dissolution of a partnership by death, the surviving partner may 166
operate under the license of the partnership until expiration of 167
the license, and the heirs or legal representatives of deceased 168
persons, and receivers and trustees in bankruptcy appointed by 169
any competent authority, may operate under the license of the 170
person succeeded in possession by such heir, representative, 171

receiver, or trustee in bankruptcy if the partner or successor 172
notifies the issuer of the license of the dissolution or 173
succession within thirty days after the dissolution or 174
succession. 175

(B) (1) Each applicant for a license to engage in the 176
retail business of trafficking in cigarettes under this section, 177
annually, on or before the first day of June, shall make and 178
deliver to the county auditor of the county in which the 179
applicant desires to engage in the retail business of 180
trafficking in cigarettes, upon a blank form furnished by such 181
auditor for that purpose, a statement showing the name of the 182
applicant, each physical place in the county where the 183
applicant's business is conducted, the nature of the business, 184
and any other information the tax commissioner requires in the 185
form of statement prescribed by the commissioner. If the 186
applicant is a firm, partnership, or association other than a 187
corporation, the application shall state the name and address of 188
each of its members. If the applicant is a corporation, the 189
application shall state the name and address of each of its 190
officers. At the time of making the application required by this 191
section, every person desiring to engage in the retail business 192
of trafficking in cigarettes shall pay an application fee in the 193
sum of one hundred twenty-five dollars for each physical place 194
where the person proposes to carry on such business. Each place 195
of business shall be deemed such space, under lease or license 196
to, or under the control of, or under the supervision of the 197
applicant, as is contained in one or more contiguous, adjacent, 198
or adjoining buildings constituting an industrial plant or a 199
place of business operated by, or under the control of, one 200
person, or under one roof and connected by doors, halls, 201
stairways, or elevators, which space may contain any number of 202

points at which cigarettes are offered for sale, provided that 203
each additional point at which cigarettes are offered for sale 204
shall be listed in the application. 205

(2) Upon receipt of the application and exhibition of the 206
county treasurer's receipt showing the payment of the 207
application fee, the county auditor shall issue to the applicant 208
a license for each place of business designated in the 209
application, authorizing the applicant to engage in such 210
business at such place for one year commencing on the first day 211
of June. The form of the license shall be prescribed by the 212
commissioner. A duplicate license may be obtained from the 213
county auditor upon payment of a five-dollar fee if the original 214
license is lost, destroyed, or defaced. When an application is 215
filed after the first day of June, the application fee required 216
to be paid shall be proportioned in amount to the remainder of 217
the license year, except that it shall not be less than twenty- 218
five dollars in any one year. 219

(3) The holder of a retail dealer's cigarette license may 220
transfer the license to a place of business within the same 221
county other than that designated on the license on condition 222
that the licensee's ownership interest and business structure 223
remain unchanged, and that the licensee applies to the county 224
auditor therefor, upon forms approved by the commissioner and 225
the payment of a fee of five dollars into the county treasury. 226

(4) If an application for a renewal of a license to engage 227
in the retail business of trafficking in cigarettes under this 228
section meets all the requirements for the renewal of the 229
license, the county auditor shall issue the renewal not later 230
than forty-eight hours after an application for renewal is 231
filed. 232

(C) (1) Each applicant for a license to engage in the
wholesale business of trafficking in cigarettes under this
section, annually, on or before the first day of June, shall
make and deliver to the tax commissioner, upon a blank form
furnished by the commissioner for that purpose, a statement
showing the name of the applicant, physical street address where
the applicant's business is conducted, the nature of the
business, and any other information required by the
commissioner. If the applicant is a firm, partnership, or
association other than a corporation, the applicant shall state
the name and address of each of its members. If the applicant is
a corporation, the applicant shall state the name and address of
each of its officers. At the time of making the application
required by this section, every person desiring to engage in the
wholesale business of trafficking in cigarettes shall pay an
application fee of one thousand dollars for each physical place
where the person proposes to carry on such business. Each place
of business shall be deemed such space, under lease or license
to, or under the control of, or under the supervision of the
applicant, as is contained in one or more contiguous, adjacent,
or adjoining buildings constituting an industrial plant or a
place of business operated by, or under the control of, one
person, or under one roof and connected by doors, halls,
stairways, or elevators. A duplicate license may be obtained
from the commissioner upon payment of a twenty-five-dollar fee
if the original license is lost, destroyed, or defaced.

(2) Upon receipt of the application and payment of any
application fee required by this section, the commissioner shall
verify that the applicant is not in violation of any provision
of Chapter 1346. or Title LVII of the Revised Code. The
commissioner shall also verify that the applicant has filed any

returns, submitted any information, and paid any outstanding 264
taxes, charges, or fees as required for any tax, charge, or fee 265
administered by the commissioner, to the extent that the 266
commissioner is aware of the returns, information, or payments 267
at the time of the application. Upon approval, the commissioner 268
shall issue to the applicant a license for each physical place 269
of business designated in the application authorizing the 270
applicant to engage in business at that location for one year 271
commencing on the first day of June. For licenses issued after 272
the first day of June, the application fee shall be reduced 273
proportionately by the remainder of the twelve-month period for 274
which the license is issued, except that the application fee 275
required to be paid under this section shall be not less than 276
two hundred dollars in any one year. 277

(3) The holder of a wholesale dealer cigarette license may 278
transfer the license to a place of business other than that 279
designated on the license on condition that the licensee's 280
ownership or business structure remains unchanged, and that the 281
licensee applies to the commissioner for such a transfer upon a 282
form promulgated by the commissioner and pays a fee of twenty- 283
five dollars, which shall be deposited into the cigarette tax 284
enforcement fund created in division (E) of this section. 285

(4) If an application for a renewal of a license to engage 286
in the wholesale business of trafficking in cigarettes under 287
this section meets all the requirements for the renewal of the 288
license, the tax commissioner shall issue the renewal not later 289
than forty-eight hours after an application for renewal is 290
filed. 291

(D) (1) The wholesale cigarette license application fees 292
collected under this section shall be paid into the cigarette 293

tax enforcement fund. 294

(2) The retail cigarette license application fees 295
collected under this section shall be distributed as follows: 296

(a) Thirty per cent shall be paid upon the warrant of the 297
county auditor into the treasury of the municipal corporation or 298
township in which the places of business for which the tax 299
revenue was received are located; 300

(b) Ten per cent shall be credited to the general fund of 301
the county; 302

(c) Sixty per cent shall be paid into the cigarette tax 303
enforcement fund. 304

(3) The remainder of the revenues and fines collected 305
under this section and the penal laws relating to cigarettes 306
shall be distributed as follows: 307

(a) Three-fourths shall be paid upon the warrant of the 308
county auditor into the treasury of the municipal corporation or 309
township in which the place of business, on account of which the 310
revenues and fines were received, is located; 311

(b) One-fourth shall be credited to the general fund of 312
the county. 313

(E) There is hereby created within the state treasury the 314
cigarette tax enforcement fund for the purpose of providing 315
funds to assist in paying the costs of enforcing sections 316
1333.11 to 1333.21 and Chapter 5743. of the Revised Code. 317

The portion of cigarette license application fees received 318
by a county auditor during the annual application period that 319
ends on the first day of June and that is required to be 320
deposited in the cigarette tax enforcement fund shall be sent to 321

the tax commissioner by the thirtieth day of June each year 322
accompanied by the form prescribed by the tax commissioner. The 323
portion of cigarette license application fees received by each 324
county auditor after the first day of June and that is required 325
to be deposited in the cigarette tax enforcement fund shall be 326
sent to the commissioner by the last day of the month following 327
the month in which such fees were collected. 328

(F) (1) Every person who desires to engage in the business 329
of a manufacturer or importer of cigarettes shall, annually, on 330
or before the first day of June, make and deliver to the tax 331
commissioner, upon a blank form furnished by the commissioner 332
for that purpose, a statement showing the name of the applicant, 333
the nature of the applicant's business, and any other 334
information required by the commissioner. If the applicant is a 335
firm, partnership, or association other than a corporation, the 336
applicant shall state the name and address of each of its 337
members. If the applicant is a corporation, the applicant shall 338
state the name and address of each of its officers. 339

(2) Upon receipt of the application required under this 340
section, the commissioner shall verify that the applicant is not 341
in violation of any provision of Chapter 1346. of the Revised 342
Code. The commissioner shall also verify that the applicant has 343
filed any returns, submitted any information, and paid any 344
outstanding taxes, charges, or fees as required for any tax, 345
charge, or fee administered by the commissioner, to the extent 346
that the commissioner is aware of the returns, information, 347
taxes, charges, or fees at the time of the application. Upon 348
approval, the commissioner shall issue to the applicant a 349
license authorizing the applicant to engage in the business of 350
manufacturer or importer, whichever the case may be, for one 351
year commencing on the first day of June. 352

(3) The issuing of a license under division (F) (1) of this section to a manufacturer does not excuse a manufacturer from the certification process required under section 1346.05 of the Revised Code. A manufacturer who is issued a license under division (F) (1) of this section and who is not listed on the directory required under section 1346.05 of the Revised Code shall not be permitted to sell cigarettes in this state other than to a licensed cigarette wholesaler for sale outside this state. Such a manufacturer shall provide documentation to the commissioner evidencing that the cigarettes are legal for sale in another state.

(4) If an application for a renewal of a license to engage in the business of a manufacturer or importer of cigarettes under this section meets all the requirements for the renewal of the license, the tax commissioner shall issue the renewal not later than forty-eight hours after an application for renewal is filed.

(G) The tax commissioner may adopt rules necessary to administer this section.

Sec. 5743.61. (A) (1) No distributor or vapor distributor shall engage in the business of distributing tobacco products, vapor products, or both within this state without having a license issued by the department of taxation to engage in that business.

(2) On the dissolution of a partnership by death, the surviving partner may operate under the license of the partnership until the expiration of the license, and the heirs or legal representatives of deceased persons, and receivers and trustees in bankruptcy appointed by any competent authority, may operate under the license of the person succeeded in possession

by the heir, representative, receiver, or trustee in bankruptcy 383
if the partner or successor notifies the department of taxation 384
of the dissolution or succession within thirty days after the 385
dissolution or succession. 386

(B) (1) Each applicant for a license described by division 387
(A) (1) of this section, annually, on or before the first day of 388
February, shall make and deliver to the tax commissioner, upon a 389
form furnished by the commissioner for that purpose, a statement 390
showing the name of the applicant, each physical place from 391
which the applicant distributes to distributors, vapor 392
distributors, retail dealers, or wholesale dealers, and any 393
other information the commissioner considers necessary for the 394
administration of sections 5743.51 to 5743.66 of the Revised 395
Code. 396

(2) At the time of making the application for a license to 397
engage either in the business of distributing tobacco products 398
or in the business of distributing both tobacco products and 399
vapor products, the applicant shall pay an application fee of 400
one thousand dollars for each place listed on the application 401
where the applicant proposes to carry on that business. The 402
application fee for a license to engage solely in the business 403
of distributing vapor products shall be one hundred twenty-five 404
dollars for each place listed on the application where the 405
applicant proposes to carry on that business. The fee charged 406
for the application shall accompany the application and shall be 407
made payable to the treasurer of state for deposit into the 408
cigarette tax enforcement fund. 409

(3) Upon receipt of the application and payment of any 410
licensing fee required by this section, the commissioner shall 411
verify that the applicant has filed all returns, submitted all 412

information, and paid all outstanding taxes, charges, or fees as 413
required for any taxes, charges, or fees administered by the 414
commissioner, to the extent the commissioner is aware of the 415
returns, information, taxes, charges, or fees at the time of the 416
application. Upon approval, the commissioner shall issue to the 417
applicant a license for each place of distribution designated in 418
the application authorizing the applicant to engage in business 419
at that location for one year commencing on the first day of 420
February. For licenses issued after the first day of February, 421
the license application fee shall be reduced proportionately by 422
the remainder of the twelve-month period for which the license 423
is issued, except that the application fee required to be paid 424
under this section shall be not less than two hundred dollars. 425
If the original license is lost, destroyed, or defaced, a 426
duplicate license may be obtained from the commissioner upon 427
payment of a license replacement fee of twenty-five dollars. 428

(4) If an applicant for a renewal of a license to engage 429
in the business of distributing tobacco products, vapor 430
products, or both within this state meets all the requirements 431
for the renewal of the license, the tax commissioner shall issue 432
the renewal not later than forty-eight hours after an 433
application for renewal is filed. 434

(C) The holder of a tobacco or vapor products license may 435
transfer the license to a place of business on condition that 436
the licensee's ownership and business structure remains 437
unchanged and the licensee applies to the commissioner for the 438
transfer on a form issued by the commissioner, and pays a 439
transfer fee of twenty-five dollars. 440

(D) If a distributor or vapor distributor fails to file 441
forms as required under Chapter 1346. or section 5743.52 of the 442

Revised Code or pay the tax due for two consecutive periods or 443
three periods during any twelve-month period, the commissioner 444
may suspend the license issued to the distributor or vapor 445
distributor under this section. The suspension is effective ten 446
days after the commissioner notifies the distributor or vapor 447
distributor of the suspension in writing in the manner provided 448
in section 5703.37 of the Revised Code. The commissioner shall 449
lift the suspension when the distributor or vapor distributor 450
files the delinquent forms and pays the tax due, including any 451
penalties, interest, and additional charges. The commissioner 452
may refuse to issue the annual renewal of the license required 453
by this section and may refuse to issue a new license for a 454
location of the distributor until all delinquent forms are filed 455
and outstanding taxes are paid. This division does not apply to 456
any unpaid or underpaid tax liability that is the subject of a 457
petition or appeal filed pursuant to section 5743.56, 5717.02, 458
or 5717.04 of the Revised Code. 459

(E) (1) The tax commissioner may impose a penalty of up to 460
one thousand dollars on any person found to be engaging in the 461
business of distributing tobacco products or vapor products 462
without a license as required by this section. 463

(2) Any person engaging in the business of distributing 464
tobacco products or vapor products without a license as required 465
by this section shall comply with divisions (B) (1) and (2) of 466
this section within ten days after being notified of the 467
requirement to do so. Failure to comply with division (E) (2) of 468
this section subjects a person to penalties imposed under 469
section 5743.99 of the Revised Code. 470

Section 2. That existing sections 4303.271, 5743.15, and 471
5743.61 of the Revised Code are hereby repealed. 472