



Representative Terrence Upchurch
10th House District

**Commerce and Labor Committee
House Bill 237 Sponsor Testimony
Representative Terrence Upchurch
Allow spirits to be shipped to consumers via S permit holder
December 2, 2020**

Chairman Manning, Vice Chair Dean, and Ranking Member Lepore-Hagan and members of the House Commerce and Labor Committee – thank you for the opportunity to provide sponsor testimony on House Bill 237. This legislation allows distillers of spirituous liquor and mixed beverage manufacturers to ship their products to Ohio residents (who are 21 or older) for personal consumption.

First, I would like to thank the late, great Rep. Don Manning for bringing this legislation to me and asking me to be a joint sponsor.

My district in Northeast Ohio has a variety of small distillers serving spirituous liquors, and mixed beverages manufacturers. However, under current law, those small businesses cannot ship their spirituous liquors or mixed beverages to Ohioans for consumption. Only certain agents and brand owners of beer or wine and small wineries are allowed to ship beer or wine.

House Bill 237 would allow Ohio-based distillers to conduct sales via telephone orders or the distiller's website in accordance with rules that the Liquor Control Commission has adopted. HB 237 would also require a distiller or mixed beverage manufacturer to obtain an S liquor permit to conduct these sales. An S liquor permit requires that businesses collect and pay all state taxes relating to the delivery of spirituous liquor or mixed beverages to a personal consumer, and keep shipping records to personal consumers for purposes of taxation, tracking of sales, and recalls.

Additionally, under current law, large distillers are not allowed to directly sell to consumers. Only agency stores (stores that are located in a grocery store) and small distillers are allowed to sell bottles of spirituous liquor to personal consumers for off-premises consumption. These agency stores and small distillers are limited to selling four spirituous liquor bottles to a single personal consumer per day. HB 237 would allow large distillers to sell spirituous liquor to personal consumers as independent contractors.

This legislation would be beneficial to distillers and mixed beverage manufacturers across the state. Furthermore, this legislation is particularly pertinent as liquor businesses suffering financially during the pandemic look for more innovative ways to boost their sales. This

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**www.house.state.oh.us
77 S. High Street, Columbus, Ohio 43215-6111**

Contact Information:

Office: 614-466-7954
Toll-Free: 1-800-282-0253
Email: Rep10@ohiohouse.gov

legislation helps keep small businesses open while simultaneously helping to limit the spread of COVID-19 by allowing Ohioans to safely consume spirits and mixed beverages in their own homes. Manning and the members of the Commerce and Labor committee, I thank you for allowing me to give testimony, and I thank you for consideration of House Bill 237.

