



MEMORANDUM

TO: Samuel Porter, Executive Director, Ohio Liquor Control Commission

FROM: Sophia Papadimos, Regulatory Policy Advocate

DATE: October 20, 2015

RE: **CSI Review – Proposed Amended and No-Change Rules (OAC 4301:1-1-02, -15, -46, -47, -48, -49, -50, -55, -56, -58, -59 and -61)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of twelve rules proposed by the Ohio Liquor Control Commission pursuant to the five-year review requirement in statute. Nine of the rules are proposed with amendments and three rules are proposed without changes. The rule package was submitted to the CSI Office on September 28, 2015 and the comment period was held open through October 10, 2015. No comments were received during this time.

The proposed rules in this package outline liquor-related definitions, the process to cancel permits, the minimum requirements for serving alcohol in hotels, and specific bans and restrictions regarding the sale of alcoholic beverages. The proposed rules also prohibit permit holders from soliciting customers to purchase alcoholic beverages and address the appropriate protocols for undercover investigations. The draft rules will now allow an A-1c permit holder (smaller breweries that produce up to 31 million gallons per year) to deliver to retail permit holders. The proposed rules are also being amended to address certain identification and labeling requirements for dispensers of premixed alcohol.¹ Previously, if an establishment wanted to serve premixed alcohol, each individual container needed to be labeled with the ingredients and percentage of alcohol used in the

¹ Premixed alcohol is an alcoholic beverage item made by the retailer, prior to being ordered by a customer.

beverage. The Commission will now allow one document with the required information to be readily available at the establishment, instead of individually labeling each item. Other proposed amendments are for clarification purposes.

The adverse impact is the time required to comply with the rules and potential penalties for failure to comply. The actual penalties are not included in this rule package but the Commission explained in the BIA that penalties could be in the form of fines, or suspension or revocation of a license.

The Commission included stakeholders in the rule-review process and the amendments are a result of the suggestions received. The Commission also explained that these rules ensure the public health and safety within establishments that manufacture, distribute, sell or serve liquor. Therefore, after reviewing the proposed rules and BIA, the CSI Office has determined that the rule package satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rules justifies the adverse impacts.

Recommendations

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Commission should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Director of Regulatory Policy