



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Rachel Herrmann, Ohio Liquor Control Commission

FROM: Jacob Ritzenthaler, Regulatory Policy Advocate

DATE: January 15, 2021

RE: **CSI Review – 2020 Five Year Review No Change Rules (OAC 4301:1-1-4, 4301:1-1-12, 4301:1-1-14, 4301:1-1-31, 4301:1-1-34 through 4301:1-1-38, and 4301:1-1-45)**

On behalf of Lt. Governor Jon Husted, 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 Commission as provided for in ORC 107.54.

Analysis

This rule package consists of 10 no change rules proposed by the Ohio Liquor Control Commission (Commission). This rule package was submitted to the CSI Office on December 30, 2020, and the public comment period was held open through January 6, 2021. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI office on December 30, 2020.

Ohio Administrative Code (OAC) Chapter 4301:1-1 establishes general provisions for the distribution and sale of liquor and alcoholic beverages. OAC 4301:1-1-04 concerns the sale of sacramental wine for religious purposes and requires applications by religious officials to be kept on file. OAC 4301:1-1-12 requires permit applicants to have been inspected prior to approval. OAC 4301:1-1-14 concerns the transfer of permits, including business sale, bankruptcy, and the death of the previous holder. OAC 4301:1-1-31 defines and provides deposit amounts for reusable containers, such as bottles and kegs. OAC 4301:1-1-34, 4301:1-1-35, and 4301:1-1-36 establish requirements related to temporary permits, including information submission, F permits, and not for profit permit holders. OAC 4301:1-1-37 and 4301:1-1-38 require permit holders that distill,

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bottle, or manufacture alcoholic beverages to provide samples for chemical analysis and the use of chemical analyses in Commission hearings. OAC 4301:1-1-45 provides requirements and prohibitions for promotions used by alcohol manufacturers and suppliers, including prizes, contests, rebates, and other incentives.

During early stakeholder outreach, the Commission reviewed the proposed rules during public meets and sent the rules to industry stakeholders for feedback, including professional associations representing the alcoholic beverage and restaurant industries, as well as public safety associations and agencies. No comments were received during that time or during the CSI public comment period.

The business community impacted by these rules includes permit holders involved in the manufacture, distribution, and sale of alcoholic beverages. The adverse impact created by the rules includes the time and effort spent by permit holders to adhere to the requirements of the rules, which includes ensuring that beverage dispensers are sanitized, permits are properly posted, and guidelines for the provision of beverages to customers. The BIA notes that the variance in requirements and the scale of businesses can cause the cost of compliance to vary. The Commission states that the burden of the adverse impacts of the rules is necessary because of the need to ensure the health and safety of alcoholic beverage production and sale to the public.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Ohio Liquor Control Commission should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.