

(127th General Assembly)  
(Amended Substitute Senate Bill Number 102)

## AN ACT

To amend sections 4301.17 and 4303.99 and to enact section 4303.208 of the Revised Code to authorize the F-8 liquor permit to be issued to certain nonprofit organizations to allow the sale of beer and intoxicating liquor at specific events that occur on public space that the organization manages, to change the population quota for state agency stores, and to declare an emergency.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 4301.17 and 4303.99 be amended and section 4303.208 of the Revised Code be enacted to read as follows:

Sec. 4301.17. (A)(1) Subject to local option as provided in sections 4301.32 to 4301.40 of the Revised Code, five state liquor stores or agencies may be established in each county. One additional store may be established in any county for each ~~twenty-five~~ twenty thousand of population of that county or major fraction thereof in excess of the first forty thousand, according to the last preceding federal decennial census or according to the population estimates certified by the department of development between decennial censuses. A person engaged in a mercantile business may act as the agent for the division of liquor control for the sale of spirituous liquor in a municipal corporation, in the unincorporated area of a township, or in an area designated and approved as a resort area under section 4303.262 of the Revised Code. The division shall fix the compensation for such an agent in the manner it considers best, but the compensation shall not exceed seven per cent of the gross sales made by the agent in any one year.

(2) The division shall adopt rules in accordance with Chapter 119. of the Revised Code governing the allocation and equitable distribution of agency store contracts. The division shall comply with the rules when awarding a contract under division (A)(1) of this section.

(3) Except as otherwise provided in this section, no mercantile business that sells beer or intoxicating liquor for consumption on the premises under a permit issued by the division shall operate an agency store at the premises.

An agency to which a D-1 permit has been issued may offer for sale tasting samples of beer, an agency to which a D-2 permit has been issued may offer for sale tasting samples of wine and mixed beverages, and an agency to which a D-5 permit has been issued may offer for sale tasting samples of beer, wine, and mixed beverages, but not spirituous liquor. A tasting sample shall not be sold for the purpose of general consumption. As used in this section, "tasting sample" means a small amount of beer, wine, or mixed beverages that is provided in not more than four servings of not more than two ounces each to an authorized purchaser and that allows the purchaser to determine, by tasting only, the quality and character of the beverage.

(B) When an agency contract is proposed, when an existing agency contract is assigned, when an existing agency proposes to relocate, or when an existing agency is relocated and assigned, before entering into any contract, consenting to any assignment, or consenting to any relocation, the division shall notify the legislative authority of the municipal corporation in which the agency store is to be located, or the board of county commissioners and the board of township trustees of the county and the township in which the agency store is to be located if the agency store is to be located outside the corporate limits of a municipal corporation, of the proposed contract, assignment, or relocation, and an opportunity shall be provided officials or employees of the municipal corporation or county and township for a complete hearing upon the advisability of entering into the contract or consenting to the assignment or relocation. When the division sends notice to the legislative authority of the political subdivision, the division shall notify, by certified mail or by personal service, the chief peace officer of the political subdivision, who may appear and testify, either in person or through a representative, at any hearing held on the advisability of entering into the contract or consenting to the assignment or relocation.

If the proposed agency store, the assignment of an agency contract, or the relocation of an agency store would be located within five hundred feet of a school, church, library, public playground, or township park, the division shall not enter into an agency contract until it has provided notice of the proposed contract to the authorities in control of the school, church, library, public playground, or township park and has provided those authorities with an opportunity for a complete hearing upon the advisability of entering into the contract. If an agency store so located is operating under an agency contract, the division may consent to relocation of the agency store or to the assignment of that contract to operate an agency store at the same location. The division may also consent to the assignment of an existing agency contract simultaneously with the relocation of the agency

store. In any such assignment or relocation, the assignee and the location shall be subject to the same requirements that the existing location met at the time that the contract was first entered into as well as any additional requirements imposed by the division in rules adopted by the superintendent of liquor control. The division shall not consent to an assignment or relocation of an agency store until it has notified the authorities in control of the school, church, library, public playground, or township park and has provided those authorities with an opportunity for a complete hearing upon the advisability of consenting to the assignment or relocation.

Any hearing provided for in this division shall be held in the central office of the division, except that upon written request of the legislative authority of the municipal corporation, the board of county commissioners, the board of township trustees, or the authorities in control of the school, church, library, public playground, or township park, the hearing shall be held in the county seat of the county where the proposed agency store is to be located.

(C) All agency contracts entered into by the division pursuant to this section shall be in writing and shall contain a clause providing for the termination of the contract at will by the division upon its giving ninety days' notice in writing to the agent of its intention to do so. Any agency contract may include a clause requiring the agent to report to the appropriate law enforcement agency the name and address of any individual under twenty-one years of age who attempts to make an illegal purchase.

An agent may engage in the selling of beer, mixed beverages, and wine pursuant to permits issued to the agent under Chapter 4303. of the Revised Code.

The division shall issue a C-1 and C-2 permit to each agent who prior to November 1, 1994, had not been issued both of these permits, notwithstanding the population quota restrictions contained in section 4303.29 of the Revised Code or in any rule of the liquor control commission and notwithstanding the requirements of section 4303.31 of the Revised Code. The location of a C-1 or C-2 permit issued to such an agent shall not be transferred. The division shall revoke any C-1 or C-2 permit issued to an agent under this paragraph if the agent no longer operates an agency store.

The division may enter into agreements with the department of development to implement a minority loan program to provide low-interest loans to minority business enterprises, as defined in section 122.71 of the Revised Code, that are awarded liquor agency contracts or assignments.

(D) If the division closes a state liquor store and replaces that store with an agency store, any employees of the division employed at that state liquor

store who lose their jobs at that store as a result shall be given preference by the agent who operates the agency store in filling any vacancies that occur among the agent's employees, if that preference does not conflict with the agent's obligations pursuant to a collective bargaining agreement.

If the division closes a state liquor store and replaces the store with an agency store, any employees of the division employed at the state liquor store who lose their jobs at that store as a result may displace other employees as provided in sections 124.321 to 124.328 of the Revised Code. If an employee cannot displace other employees and is laid off, the employee shall be reinstated in another job as provided in sections 124.321 to 124.328 of the Revised Code, except that the employee's rights of reinstatement in a job at a state liquor store shall continue for a period of two years after the date of the employee's layoff and shall apply to jobs at state liquor stores located in the employee's layoff jurisdiction and any layoff jurisdiction adjacent to the employee's layoff jurisdiction.

(E) The division shall require every agent to give bond with surety to the satisfaction of the division, in the amount the division fixes, conditioned for the faithful performance of the agent's duties as prescribed by the division.

Sec. 4303.208. (A)(1) The division of liquor control may issue an F-8 permit to a not-for-profit organization that manages, for the benefit of the public and by contract with a political subdivision of this state, publicly owned property to sell beer or intoxicating liquor by the individual drink at specific events conducted on the publicly owned property and appurtenant streets, but only if, and then only at times at which, the sale of beer and intoxicating liquor on the premises is otherwise permitted by law. Additionally, an F-8 permit may be issued only if the publicly owned property is located in a county that has a population of between seven hundred fifty thousand and nine hundred thousand on the effective date of this section.

(2) The premises on which an F-8 permit will be used shall be clearly defined and sufficiently restricted to allow proper supervision of the permit's use by state and local law enforcement officers. Sales under an F-8 permit shall be confined to the same hours permitted to the holder of a D-3 permit.

(3) The fee for an F-8 permit is one thousand seven hundred dollars. An F-8 permit is effective for a period not to exceed nine months as specified in the permit. An F-8 permit is not transferable or renewable. However, the holder of an F-8 permit may apply for a new F-8 permit at any time. An F-8 permit is not effective until any F-8 permit currently held expires. The holder of an F-8 permit shall make sales only at those specific events about

which the permit holder has notified in advance the division of liquor control, the department of public safety, and the chief, sheriff, or other principal peace officer of the local law enforcement agencies having jurisdiction over the premises.

(B)(1) An application for the issuance of an F-8 permit is subject to the notice and hearing requirements established in division (A) of section 4303.26 of the Revised Code.

(2) The liquor control commission shall adopt under Chapter 119. of the Revised Code rules necessary to administer this section.

(C) No F-8 permit holder shall sell beer or intoxicating liquor beyond the hours of sale allowed by the permit. This division imposes strict liability on the holder of an F-8 permit and on any officer, agent, or employee of that permit holder.

Sec. 4303.99. (A) Whoever violates section 4303.28 of the Revised Code shall be fined not less than one thousand nor more than twenty-five hundred dollars or imprisoned not less than six months nor more than one year.

(B) Whoever violates section 4303.36 of the Revised Code shall be fined not less than twenty-five nor more than one hundred dollars.

(C) Whoever violates section 4303.37 of the Revised Code shall be fined not less than twenty-five nor more than fifty dollars.

(D) Whoever violates division (B) of section 4303.202 or division (C) of section 4303.208 of the Revised Code is guilty of a misdemeanor of the fourth degree.

SECTION 2. That existing sections 4301.17 and 4303.99 of the Revised Code are hereby repealed.

SECTION 3. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity lies in the fact that the summer festival season is fast approaching and the implementation of the issuance of the F-8 permit needs to be expedited so that the permit can be issued during this summer season. Therefore, this act shall go into immediate effect.

  
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Speaker \_\_\_\_\_ of the House of Representatives.

  
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President \_\_\_\_\_ of the Senate.

Passed June 27, 2007

Approved July 10, 2007

  
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Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

James W. Burley

*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the  
11<sup>th</sup> day of July, A. D. 2007.

James B. Brown

*Secretary of State.*

File No. 18

Effective Date 07/10/07