



Jeff Grim

## *Bill Analysis*

*Legislative Service Commission*

### **S.B. 135**

125th General Assembly  
(As Introduced)

**Sen. Fingerhut**

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#### **BILL SUMMARY**

- Eliminates the Liquor Control Commission's authority to set minimum mark-ups for wine sales, and instead authorizes it to determine and fix the prevailing cost of bottled wine sold in Ohio.
- Prohibits wholesale distributors and retailers of wine from selling wine below the prevailing cost of wine.
- Creates the State Wine Sales Study Committee to study potential strategies for supporting and promoting the sale of wine produced in Ohio.

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#### **CONTENT AND OPERATION**

##### **Liquor Control Commission's authority to set prevailing cost of wine**

Current law authorizes the Liquor Control Commission to determine and fix the minimum mark-ups at wholesale or retail, or both, for bottled wine and fix the minimum prices at which various classes of bottled wine must be distributed and sold in Ohio either at wholesale or retail, or both (sec. 4301.13). The bill eliminates the Commission's authority to determine and fix minimum mark-ups and to fix minimum prices for the sale of bottled wine and instead authorizes it to determine and fix the prevailing cost of bottled wine sold in Ohio (sec. 4301.13(B)). It defines "prevailing cost" as the prevailing cost of bottled wine in Ohio as determined in rules adopted by the Commission (sec. 4301.13(D)). The bill prohibits a wholesale distributor or retailer of wine from selling wine below the prevailing cost of the wine (sec. 4301.13(C)).

In addition, the bill specifically states that the Commission's authority to determine and fix the prevailing cost of bottled wine sold in Ohio does not give it the authority to determine and fix the minimum mark-ups at wholesale or retail, or

both, for bottled wine or fix the minimum prices at which the various classes of bottled wine must be distributed and sold in Ohio either at wholesale or retail, or both (sec. 4301.13(B)).

**Delayed effective date**

The bill specifies that the above provisions take effect six months after the effective date of the bill (Section 4).

**Creation of State Wine Sales Study Committee**

The bill creates the State Wine Sales Study Committee consisting of seven members to be appointed as follows:

(1) The President of the Senate must appoint one member from the Senate and two members from the general public, one representing the interests of the Ohio wine industry and one representing the interests of the public;

(2) The Minority Leader of the Senate must appoint one member from the Senate and one member representing the interests of the public;

(3) The Speaker of the House of Representatives must appoint one member from the House of Representatives; and

(4) The Minority Leader of the House of Representatives must appoint one member from the House of Representatives.

The bill requires the appointing authorities to make their appointments within 30 days after the bill's effective date. Not later than 15 days after all members have been appointed, the Committee must hold an organizational meeting at which it must elect from among its members a chairperson and a vice-chairperson. Vacancies on the Committee must be filled in the manner provided for original appointments. Members must serve without compensation, but must be reimbursed for necessary travel and other expenses connected with the performance of their official duties as Committee members. (Section 3(A).)

Under the bill, the Committee must study potential strategies for supporting and promoting the sale of wine produced in Ohio. However, the strategies must not include the setting of minimum mark-ups or minimum prices for bottled wines. (Section 3(B).) The Committee must prepare a written report on the strategies that could be used to support and promote the sale of wine produced in Ohio. Not later than three months after its organizational meeting, the Committee must submit its report to the President of the Senate, the Speaker of the House of Representatives, and the members of the standing committees of the House of Representatives and Senate that are primarily responsible for considering topics of

liquor control. The Committee ceases to exist on submittal of its report. (Section 3(C).)

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## **HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	10-14-03	p. 1088

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