

H.B. 522  
As Passed by the House

**Topic:** Free glassware

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "sections" insert "4301.24,"; 1  
after "4301.62" insert ","; after "4301.82" insert "and to enact 2  
section 4303.244" 3

In line 3 of the title, after "holders" insert "and to 4  
increase the amount of glassware that an alcohol manufacturer or 5  
supplier may give as a gift to a retail permit holder" 6

In line 4, after "sections" insert "4301.24,"; after 7  
"4301.62" insert ","; after "4301.82" insert "be amended and 8  
section 4303.244" 9

In line 5, delete "amended" and insert "enacted" 10

After line 5, insert: 11

"**Sec. 4301.24.** (A) Except as provided in ~~section~~ sections 12  
4301.242 and 4301.244 of the Revised Code, no manufacturer shall 13  
aid or assist the holder of any permit for sale at wholesale, and 14  
no manufacturer or wholesale distributor shall aid or assist the 15  
holder of any permit for sale at retail, by gift or loan of any 16  
money or property of any description or other valuable thing, or 17  
by giving premiums or rebates. Except as provided in section 18  
4301.242 of the Revised Code, no holder of any such permit shall 19  
accept the same, provided that the manufacturer or wholesale 20

distributor may furnish to a retail permittee the inside signs or 21  
advertising and the tap signs or devices authorized by divisions 22  
(E) and (F) of section 4301.22 of the Revised Code. 23

(B) No manufacturer shall have any financial interest, 24  
directly or indirectly, by stock ownership, or through 25  
interlocking directors in a corporation, or otherwise, in the 26  
establishment, maintenance, or promotion in the business of any 27  
wholesale distributor. No retail permit holder shall have any 28  
interest, directly or indirectly, in the operation of, or any 29  
ownership in, the business of any wholesale distributor or 30  
manufacturer. 31

(C)(1) No manufacturer shall, except as authorized by section 32  
4303.021 of the Revised Code, have any financial interest, 33  
directly or indirectly, by stock ownership, or through 34  
interlocking directors in a corporation, or otherwise, in the 35  
establishment, maintenance, or promotion of the business of any 36  
retail dealer. No wholesale distributor or employee of a wholesale 37  
distributor shall have any financial interest, directly or 38  
indirectly, by stock ownership, interlocking directors in a 39  
corporation, or otherwise, in the establishment, maintenance, or 40  
promotion of the business of any retail dealer. No manufacturer or 41  
wholesale distributor or any stockholder of a manufacturer or 42  
wholesale distributor shall acquire, by ownership in fee, 43  
leasehold, mortgage, or otherwise, directly or indirectly, any 44  
interest in the premises on which the business of any other person 45  
engaged in the business of trafficking in beer or intoxicating 46  
liquor is conducted. 47

(2) All contracts, covenants, conditions, and limitations 48  
whereby any person engaged or proposing to engage in the sale of 49  
beer or intoxicating liquors promises to confine the person's 50  
sales of a particular kind or quality of beer or intoxicating 51

liquor to one or more products, or the products of a specified  
 manufacturer or wholesale distributor, or to give preference to  
 those products, shall to the extent of that promise be void. The  
 making of a promise in any such form shall be cause for the  
 revocation or suspension of any permit issued to any party.

(D) No manufacturer shall sell or offer to sell to any  
 wholesale distributor or retail permit holder, no wholesale  
 distributor shall sell or offer to sell to any retail permit  
 holder, and no wholesale distributor or retail permit holder shall  
 purchase or receive from any manufacturer or wholesale  
 distributor, any beer, brewed beverages, or wine manufactured in  
 the United States except for cash. No right of action shall exist  
 to collect any claims for credit extended contrary to this  
 section.

This section does not prohibit a licensee from crediting to a  
 purchaser the actual prices charged for packages or containers  
 returned by the original purchaser as a credit on any sale or from  
 refunding to any purchaser the amount paid by that purchaser for  
 containers or as a deposit on containers when title is retained by  
 the vendor, if those containers or packages have been returned to  
 the manufacturer or distributor. This section does not prohibit a  
 manufacturer from extending usual and customary credit for beer,  
 brewed beverages, or wine manufactured in the United States and  
 sold to customers who live or maintain places of business outside  
 this state when the beverages so sold are actually transported and  
 delivered to points outside this state.

No wholesale or retail permit shall be issued to an applicant  
 unless the applicant has paid in full all accounts for beer or  
 wine, manufactured in the United States, outstanding as of  
 September 6, 1939. No beer or wine manufactured in the United

States shall be imported into the state unless the beer or wine 82  
 has been paid for in cash, and no supplier registration for any 83  
 such beer or wine manufactured in the United States shall be 84  
 issued by the division of liquor control until the A-2, A-2f, B-1, 85  
 or B-5 permit holder establishes to the satisfaction of the 86  
 division that the beer or wine has been paid for in cash. 87

(E) This section does not ~~prevent a~~ prohibit any of the 88  
following: 89

(1) A manufacturer from securing and holding any financial 90  
 interest, directly or indirectly, by stock ownership or through 91  
 interlocking directors in a corporation, or otherwise, in the 92  
 establishment, maintenance, or promotion of the business or 93  
 premises of any C or D permit holder, provided that the following 94  
 conditions are met: 95

~~(1)~~(a) Either the manufacturer or one of its parent companies 96  
 is listed on a national securities exchange. 97

~~(2)~~(b) All purchases of alcoholic beverages by the C or D 98  
 permit holder are made from wholesale distributors in this state 99  
 or agency stores licensed by the division of liquor control. 100

~~(3)~~(c) If the C or D permit holder sells brands of alcoholic 101  
 beverages that are produced or distributed by the manufacturer 102  
 that holds the financial interest, the C or D permit holder also 103  
 sells other competing brands of alcoholic beverages produced by 104  
 other manufacturers, no preference is given to the products of the 105  
 manufacturer, and there is no exclusion, in whole or in part, of 106  
 products sold or offered for sale by other manufacturers, 107  
 suppliers, or importers of alcoholic beverages that constitutes a 108  
 substantial impairment of commerce. 109

~~(4)~~(d) The primary purpose of the C or D permit premises is a 110

purpose other than to sell alcoholic beverages, and the sale of 111  
 other goods and services exceeds fifty per cent of the total gross 112  
 receipts of the C or D permit holder at its premises. 113

~~(F)(1) This section does not prevent a~~ (2) A manufacturer 114  
 from giving financial assistance to the holder of a B permit for 115  
 the purpose of the holder purchasing an ownership interest in the 116  
 business, existing inventory and equipment, or property of another 117  
 B permit holder, including, but not limited to, participation in a 118  
 limited liability partnership, limited liability company, or any 119  
 other legal entity authorized to do business in this state. 120

However, this 121

~~(2) This~~ section does not permit a manufacturer to give 122  
 financial assistance to the holder of a B permit to purchase 123  
 inventory or equipment used in the daily operation of a B permit 124  
 holder. 125

~~(G) This section does not prohibit a~~ (3) A manufacturer or 126  
 subsidiary of a manufacturer from continuing to operate a 127  
 wholesale distribution franchise or distribute beer or wine within 128  
 a designated territory if prior to ~~the effective date of this~~ 129  
~~amendment~~ July 30, 2013, the manufacturer either acquired the 130  
 distribution franchise or territory, or awarded the franchise or 131  
 territory to itself or a subsidiary. 132

~~(H) This section shall not prevent a~~ (4) A manufacturer from 133  
 securing and holding an A-1c or B-2a permit or permits and 134  
 operating as a wholesale distributor pursuant to such permits. 135

**Sec. 4303.244.** (A) As used in this section: 136

(1) "Case" means twenty-four individual pieces of glassware. 137

(2) "Glassware" means a glass container that: 138

<u>(a) Has the brand name of a beer or the name of the manufacturer or supplier of the beer permanently affixed, embossed, or engraved on the container;</u>	139
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<u>(b) Has the brand name of the beer or the name of the manufacturer or supplier of the beer prominently displayed on the container; and</u>	142
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<u>(c) Holds not more than twenty-four ounces of liquid.</u>	145
<u>(3) "Receipt" means a record, either in paper or digital format, that contains all of the following information:</u>	146
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<u>(a) The name and address of the permit holder authorized to sell for on-premises consumption and that receives glassware from a manufacturer or supplier;</u>	148
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<u>(b) The name and address of the manufacturer or supplier that provides glassware to the permit holder;</u>	151
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<u>(c) The name of the employee or agent of the permit holder that receives the glassware;</u>	153
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<u>(d) The date that the glassware is provided to the permit holder;</u>	155
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<u>(e) The amount, if any, that the manufacturer or supplier charged the permit holder for the glassware;</u>	157
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<u>(f) The permit holder's permit number;</u>	159
<u>(g) A description and the amount of glassware provided to the permit holder;</u>	160
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<u>(h) The amount that the manufacturer or supplier paid to have the glassware manufactured.</u>	162
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<u>(B) A manufacturer or supplier may provide glassware intended for the serving of beer to a permit holder authorized to sell for</u>	164
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on-premises consumption if the manufacturer or supplier provides a receipt to the permit holder. However, the manufacturer or supplier shall not annually provide more than four cases of such glassware to such a permit holder. 166  
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(C) A permit holder authorized to sell for on-premises consumption may receive glassware intended for the serving of beer from a manufacturer or supplier. However, a permit holder shall not annually receive a total of more than seven cases of such glassware from all manufacturers and suppliers. 170  
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A permit holder that receives glassware from a manufacturer or supplier shall maintain a copy of the receipt provided by the manufacturer or supplier under division (B) of this section. The permit holder shall retain the receipt for a period of three years and make the receipt available for inspection during normal business hours. 175  
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In line 444, after "sections" insert "4301.24,"; after "4301.62" insert ",," 181  
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The motion was \_\_\_\_\_ agreed to.