



OHIO'S BAILMENT SYSTEM

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## Policies and Procedures

- All listing requests must be submitted to the Superintendent of the Ohio Department of Commerce, Division of Liquor Control (Division) at 6606 Tussing Road, Reynoldsburg, Ohio 43068.
- All requests for new items or added size listings must be submitted 60 days prior to the 1<sup>st</sup> calendar day of the desired month of initial distribution in the system.
- The Division of Liquor Control will not accept brands for listing as a high proof item if there is a counterpart low proof listing. If a brand is currently listed as high proof and the company opts to list the item low proof, the Division will immediately delist the product and request that all existing warehouse inventory be returned by the appropriate company.
  - A low proof product may be listed under a separate name, but it may not maintain the same name as the high proof item. All high and low proof brands currently listed will not be affected by this new policy (effective 6/1/03).

## Companies Currently Registered with Ohio

- A separate listing request for each product/size must include the following completed documents:
  - Standard quotation and specification form (*Please see page 30 for Internet link.*)
  - Copy of approved Tax and Trade Bureau (T.T.B.) federal label approval
  - One set of approved bottle labels (front, back, neck, etc.)
  - Division Listing Presentation Form
  - National and/or Ohio marketing programs to be used in supporting the product. Ohio's market portion should be quantified.

## Listing Status

- Upon approval of the listing, the item will be assigned a status of a regular bailment or special order listing.
  - Special order brands are only withdrawn from a warehouse to fill a wholesale or retail customer request.
  - Special order brands will have no initial distribution to sales outlets.
  - Only one size is allowed.
  - The Division does not accept 375 ML items for special order listing.
- Decisions concerning the request will be communicated by the Office of the Superintendent to the requesting supplier's Ohio representative.

## New Supplier/Registration

- Upon approval of a product for a **business** or **supplier not currently doing business with the Division**, there are additional considerations related to licensing and/or registration in Ohio.
  - If the business is not located in Ohio, there is a process to register as state supplier of spirituous liquor to do business with the Division.
  - Salespersons or others within the company who may be making sales calls must be registered with the Division as a solicitor. (See Ohio Administrative Rule 4301-2-01.)
  - The Division's website, [www.com.ohio.gov/liqr](http://www.com.ohio.gov/liqr), offers many forms on-line as well as other information that may be helpful in learning about Ohio's control state liquor operation. (*Please see page 30 for applicable Internet links.*)
- For additional information, please contact the Division at:
  - Listing spirituous liquor in Ohio (over 42 proof) (614) 644-2515
  - Beer, wine, low proof beverages (614) 644-2411
  - Licensing for business situated in Ohio/gen. info. (614) 644-2431
  - Solicitor registration (614) 644-2411
  - Out-of-state supplier (614) 644-2411

- You may choose to enter into a relationship with a spirituous liquor company already doing business with the Division. This relationship may eliminate the need for certain processes or procedures.
- Please see the list included in this package entitled: BROKERS FOR SPIRITUOUS LIQUOR.
  - The word “broker” is defined as a company that solicits sales of alcoholic beverages on behalf of a manufacturer or supplier. The Division cannot answer questions related to broker representation. The broker must be contacted directly.
  - The BROKER FOR SPIRITUOUS LIQUOR lists Ohio brokers as of the date of this printing and does not intend to be an endorsement of any option.
  - The word “vendor” is defined as a manufacturer or supplier of an alcoholic beverage.

## Laboratory Testing and Product Quality

- The Division does not laboratory test products as standard practice.
- The supplier, by submitting a request for listing, warrants that all product purchased by the Division will be fit for beverage purposes and that the product meets the supplier’s product standards submitted to T.T.B. for federal label approval of the product.
- The Division shall return to the supplier any quantity of product found unfit for beverage purposes or not meeting label analysis standards.

## New Product Registration Fee

- A fifty-dollar (\$50.00) product registration fee will be charged for each new liquor product accepted for listing. A fee will not be charged for subsequent listings of additional sizes or special bottles of already listed products of the same product name and proof.
  - The fee will be paid by the supplier upon receipt of notification of acceptance of a new listing.
  - A check for the correct amount should be made out to the Ohio Division of Liquor Control and sent to the Chief of Agency Operations at the Division’s mailing address.
  - Failure to submit the specified amount required will delay processing of the new listing.
- Any questions should be directed to Agency Operations, Pricing Section, (614) 644-2518.

## Bottle and Case Pack Policies

- Five bottle sizes (750 ML, liter, 1.75 liter, 375 ML, and sleeves of miniatures) are sold in Ohio. Effective September 26, 2003, all Class A-1-A and D permit holders may purchase 50 milliliters in sleeve quantities for the purpose of resale for on-premise consumption only.
- Plastic traveler bottles are discouraged and will be considered only for major selling commodity category brands.
- Industry case pack standards apply; however, the Division encourages six bottle cases of super premium 750 ML products and 12-bottle cases of super premium 375 ML products for inventory distribution efficiency.

## Listing of Both 750 ML and Liter Sizes of Same Product

- Revised general policy requires that the initially listed size (750 ML or liter) must achieve and maintain significant annual sales BEFORE and AFTER a listing of the second size.
  - 750 ML annual sales of 2,000 cases must be achieved before the addition of a liter size will be considered.
  - Liter annual sales of 1,750 cases must be achieved before the addition of a 750 ML will be considered.
- The addition of the second size must increase total case sales of the brand 25% within 12 months or be subject to delisting at the discretion of the Division.
- The Division annually reviews the status for existing brands which have listings for both 750 ML and liter sizes.

## Requests for Initial Multiple Size Listings

- The Division will exercise discretionary authority when making decisions on new multiple size listing requests.

## Delisting Liquor Products

- In order to maintain an assortment of liquor products that reflect customer demand and inventory productivity at sales outlets, the Division conducts annual delisting product reviews. The Product Delisting Criteria are included in this packet.
- The current cycle is 12-month case sales from a date determined by the Division.

- Ohio suppliers' representatives will be notified of delisted products via meeting or mail.
- It will be expected that suppliers will remove from bailment all delisted products when instructed by the Division. Offers of closeout prices on delisted products in bailment will be considered based on the amount of the discount, the months of supply already in sales outlets, and the months of supply represented by the quantity of product still in bailment.
- Closeout discounts offered should reflect distressed merchandise conditions and be at least 25% less than regular cost per case.

## Selection of Sales Outlets

- The supplier may include a list of requested sales outlets as part of listing request submission to the Division.
- Approval of a product for listing will not always mean approval of the number of outlets requested.
- Agency Operations will work with the supplier to finalize the sales outlets as part of initial distribution of the approved product.
- Additional outlets may be added based on sales outlet managers' requests for the product at their outlets to satisfy customer requests.

## Processing of Approved Bailment Listing Requests

- Following a product approval, the supplier will ship the product to designated bailment warehouses in Ohio in accordance with the Shipping, Labeling, and Handling instructions included in this packet.
- The supplier will be charged by warehouse operators for processing and storage fees at the bailment warehouses. (See Section 4.)
- Withdrawals from bailment inventories will be made to stock the approved sales outlets, and subsequent withdrawals will be to satisfy weekly reorders from those outlets. Withdrawals are made in case units.
- The supplier retains ownership of bailment inventory until the withdrawn quantities become the responsibility of the trucking company, which transports the product to the sales outlet. The supplier will be paid based upon withdrawals from bailment by a purchase order created on the day product is withdrawn. No invoice from the supplier is needed.

## Pricing Liquor Products in Ohio

- The Division uses a standard pricing formula for all products. (See Formula for Computing Selling Prices in Section 4.)
- Payment of the Federal Excise Tax on liquor is the responsibility of the supplier prior to purchase by the Division. The Ohio Excise Tax on liquor is computed as part of the pricing formula and is paid by the Division to the state treasury based on sales.
- The Base Bottle Price on which state and local county retail sales taxes are added to achieve a retail price which is then rounded upward to the nearest five (5) cents to become the retail shelf price.
- The Base Bottle Price from which 6% discount is deducted to achieve a wholesale price which is then rounded upward to the nearest five (5) cents.
- Supplier price quote changes will be accepted quarterly to be effective on February 1, May 1, August 1, or November 1 of each year.
  - Quarterly changes must be submitted to the Division's Agency Operations Pricing Section 45 days prior to the effective date using the Standard Quotation and Specification Form.
  - Quarterly prices must be in effect for the three (3) months except for a special pricing (post-off) promotion. Special signage will not be allowed for a three-month reduction.

## Supplier Special Price (Post-Off) Allowances

*A Special Price Allowance (Post-Off) is a designated calendar month during which a supplier offers a liquor brand/size at a reduced price per case to the Division on purchases from bailment inventory. If the amount of the case price reduction meets criteria listed below, the Division will pass the case price reduction onto its customers on a per/ bottle basis during the post-off month.*

- No post-off promotions will be accepted for 375 ML sizes.
- There is a maximum of three (3) post-off months per brand/size, and a total of (6) months per brand during a year for brands having multiple size listings.
- Positioning of the post-offs must be such that three (3) months elapse between post-off promotions of a brand/size.
  - Example: After a January post-off, the next acceptable month for the same brand/size would be May. (See exception concerning holiday season post-off.)

- Holiday season post-off promotion of a brand/size must include the combined months of November and December. These promotions will be counted as one (1) post-off month toward the maximum totals.
- Glass and plastic traveler bottles of a brand/size must be on post-off the same month.
- A brand/size will not be accepted for post-off for the same month that a value pack of the same brand/size is introduced. A request for a post-off must be submitted to the Division's Agency Operations Pricing Section 45 days prior to the post-off month requested.
- In order to guarantee a minimum 50 cents per-bottle savings to the customer, the minimum post-off amount per case which will be passed through to customers will be \$6.00 per case or 15% of regular quoted case price, whichever is greater.
- A qualifying post-off will be passed onto the customer the same month as offered.
- The post-off amount per bottle will be deducted from Case Bottle Price before retail taxes are added and the final price is rounded.
- The Division reserves the right to purchase up to two (2) months' average sales supply at post-off price in addition to replenishment purchases from agency outlets during the month that the post-off is offered.

## Value Pack Pricing and Composition

- If the value pack item has a different bottle-per-case count and/or the price is different than the regular item (without the gift), the package must have a UPC number that is unique to the value pack and placed so that it is easily scanned.
- The Division's decision to approve any value packs will be based on the quality of the premium item, its relationship to the specific product or liquor beverages in general, and the sales potential of the package.
- Value packs will not be sold at wholesale to on-premise customers; however, commemorative bottles are sold at wholesale.
- After four (4) months in agency sales outlets, remaining value packs will be broken down and the liquor products placed with other regular priced bottles.

## Other Promotions

- Ohio sales outlets will not redeem Point of Sale coupons or rebates for liquor products.
- Mail-in manufacturer rebates for liquor products are allowed provided they meet industry standards.

- Sweepstakes and merchandise offers are no longer supervised or approved by the Division. (Please see Ohio Administrative Code 4301:1-1-45.)
- Sweepstakes and merchandise offers that require proof of liquor purchase are not allowed in Ohio.
- Liquor Point of Sales Displays must meet Division criteria in order to be offered to Ohio sales outlets. The responsibility for accepting the display material will rest with the individual outlet managers.
- Criteria: Displays depicting Santa Claus character, children, lewd or obscene language or gestures, or implied product sexual appeal are not permitted.
  - The following types of liquor displays are permitted:
    - Case Cards
    - Shelf Attachments
    - Pole Toppers
    - Bins
    - Bottle Neckers
    - Danglers
    - Mail-in Rebate Applications
    - Mail-in Sweepstakes Forms
    - Recipe Books
    - Product-Logo Merchandise Catalogs

## Shipping, Labeling and Handling Instructions for Spirituous Liquor

- All vendors of spirituous liquor sold to Ohio **must** comply with the labeling procedures set forth in the instructions. Particular attention should be paid to the fact that the vendor is the consignee under the Bailment Stock Plan and that no deviation should be made from labeling requirements.
- It is an absolute requirement that the approved case label guidelines be adhered to. It is the responsibility of suppliers to insure that all cases meet industry standards as well as Ohio's requirements.
  - Cases in violation are subject to an administrative fee of \$100 per brand per shipment received at any Ohio bailment warehouse plus any costs charged by warehouses to relabel cases.
  - **It is your responsibility to insure that products shipped into Ohio meets DOLC's requirements.**
- It is expected that all interested parties will comply with the instructions. If there are questions concerning these instructions, interested parties should immediately contact the Division's Agency Operations Section at (614) 644-2380 for clarification.

## Consent to Ship into Bailment Stock

- After merchandise has been approved for listing, the vendor shall make a request to the Agency Operations Section for a Blanket Consent to ship stock into each district warehouse in which the merchandise is to be stored and distributed. A bailment Blanket Consent will be issued to the Vendor of Record (vendor submitting quotation).
- The merchandise is to be consigned to the vendor, in care of the warehouse, to which the consent is issued. The merchandise remains the property of the vendor until withdrawn by the Division. The Division pays no storage or warehouse charges on any merchandise in bailment stock other than the charge that is included in the quoted price.

- The following are the four (4) district warehouse locations and phone numbers:

A WAREHOUSE	
Spartan Warehouse & Dist. Co. 3005 East Kemper Road Cincinnati, Ohio 45241	(513) 826-0362
B WAREHOUSE	
Spartan Warehouse & Dist. Co. 4150 Spartan Drive Oregon, Ohio 43616	(419) 691-3111
C WAREHOUSE	
North Logistics, Inc. 1033 Brentnell Avenue Columbus, Ohio 43219	(614) 253-8624
D WAREHOUSE	
Spartan Warehouse & Dist. Co. 22801 Aurora Road Bedford Heights, Ohio 44146	(216) 662-2432

## Power of Attorney

- The contract warehouse personnel listed above should have power of attorney for vendors in connection with the Bailment Stock Plan.

## Freight Charges

- The vendor must prepay freight charges. All bills of lading must show that the freight charges are "TO BE PREPAID".

## Labeling Cases for Shipment

- Each case shipped into bailment stock shall have affixed thereto the standard or uniform 4" x 6" case code label as recommended by the Industry Advisory Committee for Control States and approved by the National Alcohol Beverage Control Association, Inc. (N.A.B.C.A.) (**See Exhibit I.**)
- The label is to be affixed in the upper left-hand corner on the right end of the case. The right end of a case is the end that is on one's right when facing the Government (serial number) panel. The "Consent Number" shall be inserted in the lower right block at the extreme right side by rubber stamp or otherwise, in black ink, using numbers one-half inch in height. Ohio's label requirements does not, of course, relieve the vendor from his responsibility under Federal law and the T.T.B. regulations concerning the stenciling of all cases not consigned to state control systems.

- Labels should reflect the Universal Product Code number, along with the Ohio code number as indicated on the case label. **(See Exhibit I.)**
- It is suggested when special packages (Christmas cartons, decanters, etc.) are used, that a separate sticker be added for easy identification of the merchandise.
- When a brand change has been approved by the Division that requires movement of the stock on hand first, shipments of the new merchandise shall be labeled as follows: The standard case code label (previously described) shall have the word "**NEW**" to indicate the change(s) made in that particular year, and the new Universal Product Code (UPC) numbers and symbology.

## Bottle Labels

- Bottle labels must conform to all labeling regulations adopted by the Federal Government and the State of Ohio. It is necessary to file a Standard Quotation & Specification Form with the Division for any change in labels, bottles or contents before merchandise bearing the new labels or with changes in bottles or contents is shipped into bailment stock. (This form can be found at [www.liquorcontrol.ohio.gov/quote-spec-form.pdf](http://www.liquorcontrol.ohio.gov/quote-spec-form.pdf).) In addition, gift with purchase bottles must have a UPC number located on the gift item package that is readable and easy to scan.

## Packaging

- All merchandise shipped into bailment stock must be securely packed.
- Fiber or corrugated cases must have a bursting strength testing and interior packing of sufficient strength to prevent breakage and permit stacking while in storage.
- All shipments must comply with packing specification requirements of the Consolidated Freight Classification and National Motor Freight Classification.

## State Permits

- All vendors must have appropriate Ohio permits. See the Policy and Procedure section under the heading PRODUCT LISTING IN OHIO'S BAILMENT SYSTEM.

## Federal Permits

- All vendors must secure basic permits and special occupational tax stamps for each warehouse and conform to other federal provisions as necessary before liquor can be shipped into our warehouses. Your company must contact federal authorities regarding to these issues. The web site address is [www.ttb.gov](http://www.ttb.gov) or the mailing address is Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau, 8002 Federal Office Building, 550 Main Street, Cincinnati, Ohio 45202-3263.

## Inventory Maintained by Vendor

- The responsibility for maintaining adequate warehouse inventories is that of the vendor. Merchandise can be shipped into the warehouses in any quantity. However, once a brand is established, a 30-day supply must be maintained. It is the vendor's responsibility to coordinate delivery with each warehouse. Merchandise may be transferred from warehouse to warehouse at the expense of the vendor upon written or verbal notice to the Agency Operations Section from the vendor. Such transfers require the written authorization of the Division.

## Insurance on Warehouse Stock

- Insurance on merchandise in bailment stock is the responsibility of the vendor, inasmuch as such merchandise remains the property of the vendor until withdrawn from bailment stock.

## Manner of Payment

- When the Division withdraws merchandise from stock, the warehouse issues a withdrawal report by brand size to the Division, with a copy to the vendor, showing the number of cases and/or bottles, outlet number, authorization number and date of withdrawal. The Division issues a daily purchase order to the vendor for all stock withdrawn, showing withdrawal date and the number of cases. The Division will authorize payment of the purchase order. **No invoice is required from the vendor.**

## Withdrawal by the Vendor

- Withdrawal by the vendor of his own merchandise from warehouse stock for shipment out of Ohio can only be made upon written request to the Division's Agency Operations Section.

**Exhibit I**

**87236-00122**

**Remy Martin VSOP 375 ml 40% alc/vol**

**463M**

**(MUST INCLUDE UPC BAR CODE)**  
**0 087236 00122 3**

**OH 463-M**

Section

3

Sample of Listing Presentation Form (See page 30 for the link to download this form.)

<i>Effective Date</i>		<i>Date Submitted</i>	
<i>By</i>		<i>Company</i>	
<i>Type</i>	<i>New Item</i>	<i>Added Size</i>	<i>Reinstated Item</i>
<i>Brand</i>	<i>Size</i>	<i>Proof</i>	
<i>Category</i>	<i>Vendor</i>	<i>Price (Ohio Base)</i>	
<i>Has this brand been listed in Ohio before?</i>		<i>If yes, what were the sales for the latest 12 months of activity?</i>	

If this is an added size, please list this brand's sales for the sizes now available in Ohio in the spaces identified below. Period:

<b>Brand Code</b>	<b>Ohio Base Price</b>	<b>Size</b>	<b>No. of Cases</b>

List other brands in this category:

<b>Brand Code</b>	<b>Annual Case Sales</b>	<b>Ohio Base Price</b>

*Ohio Case Sales Criteria for this Category:*

Describe sales force available to the state representative in Ohio to introduce the product in our market:

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SPA Plans (list month and amount):

Additional Promotional Plans:

*National:*

*Ohio:*

General Comments:

*Please explain total brand plans and outline reasons for listing brand.*

Indicate this brand's sales (presentation size only) in neighboring states. (Please attach documentation.)

INDIANA	<i>Cases:</i>	<i>Time Frame:</i>
KENTUCKY	<i>Cases:</i>	<i>Time Frame:</i>
MICHIGAN	<i>Cases:</i>	<i>Time Frame:</i>
PENNSYLVANIA	<i>Cases:</i>	<i>Time Frame:</i>
WEST VIRGINIA	<i>Cases:</i>	<i>Time Frame:</i>

Please list information regarding the market testing conducted for this product. Also, provide any research information which would justify this listing.

\_\_\_\_\_  
*Submitted by*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date Signed*

## Section

## 4

## Schedule of Established Deadlines for Receipt of Forms and Quotes

Item	Processed	Deadline
Price Increase Quotes	Quarterly (Months: Feb., May, Aug., Nov.)	45 day notice
New Listing Quotes	Any Month	30 day notice
Proof Change Quotes	Any Month	30 Day Notice
Price Reduction Quotes	Any Month	30 Day Notice
Bottles Per Case Change Quotes	Any Month	30 Day Notice
UPC Code Change Quotes	Any Month	30 Day Notice
Vendor or Broker Change Quotes	Any Month	30 Day Notice
Post-Offs (Special Purchase Allowance)		45 Days Prior (within SPA Guidelines)

## Formula for Computing Selling Prices

<b><i>Retail Price</i></b>		
<b>Item</b>	<b>Computation</b>	<b>Fee</b>
Quoted Case Price F.O.B. Shipping Point	+	
Warehouse to Sales Outlet Freight	+	.99
Operating Expense	x	1.1235
Mark-Up	÷	.70
Round (4 <sup>th</sup> decimal and drop)	+	.0005
Gallonage Tax Per Case*	+	
<b>A</b> Bottles Per Case**	÷	
Round (3 <sup>rd</sup> decimal and drop)	+	.009
5% Increase (effective 7/7/80)	x	1.05%
Round (3 <sup>rd</sup> decimal and drop)	+	.009%
<b>B</b> Base Bottle Price	=	
State Sales Tax (5%, 5.25%, 5.5%, 5.75%, 6%, 6.25%, 6.5%, 7% + 18)	+	
Round Up To Next Higher Nickel	+	
<b>C</b> Retail Bottle Selling Price	=	
Case Selling Price Retail (A x C)	+	
<b><i>Wholesale Price</i></b>		
<b>B</b> Base Bottle Price	x	.94
Round (3 <sup>rd</sup> decimal and drop)	+	.009
Round up to the Next Higher Nickel	+	
<b>D</b> Wholesale Bottle Selling Price	=	
Case Selling Price (A x D)	=	

\* **Formula for Computing Gallonage Tax:** (oz. per bottle) x (bottles per case) ÷ (128 oz.) x \$3.38 (tax per gallon) + .009 (round 3<sup>rd</sup> decimal and drop)

\*\***Miniatuers:** Compute the following formula to determine bottles per case.

- (actual number of 1.7 ounce bottles in the case) ÷ (number of bottles per sleeve) = (bottles per case)
- oz. per bottle (where a sleeve equals a bottle) = oz. per miniature (1.7 oz.) x (number of bottles per sleeve) = total oz. per “bottle” (read sleeve)
  - 17.0 oz. for 10 bottles per sleeve and 20.4 oz. for 12 bottles per sleeve

**Sin Tax:**

- 10 bottles in a sleeve = \$.40
- 12 bottles in a sleeve = \$.48

Effective 02/01/01

## Warehouse Rates

	<i>Cincinnati</i>	<i>Toledo</i>	<i>Columbus</i>	<i>Cleveland</i>
<i>Effective Date</i>	06/01/11	06/01/11	03/01/11	06/01/11
<i>Ending Date</i>	05/31/12	05/31/12	02/29/12	05/31/12
<i>Handling In</i>	.05/cs	.05/cs	.20/cs	.05/cs
<i>Charge Out</i>	.25/cs	.45/cs	.27/cs	.15/cs
<i>Total</i>	.30/cs	.50/cs	.47/cs	.20/cs
<i>Storage Charge (1<sup>st</sup> – 15<sup>th</sup>)</i>	.16/cs	.18/cs	.12/cs	.16/cs
<i>Storage Charge (16<sup>th</sup> – end)</i>	.08/cs	.09/cs	.06/cs	.08/cs
<i>Renewal Charge</i>	.16/cs	.18/cs	.12/cs	.16/cs
<i>Recoupage</i>	6.00/cs	6.00/cs	5.50/cs	6.00/cs

**Note:** Minimum renewal charge of \$10.00 for any vendor that does not maintain sufficient inventory to exceed the \$10.00 charge.

Updated 04/10 – Subject to Change

## Brokers for Spirituous Liquor

### ***Glazers of Ohio (Buckeye Division)***

RON ELLIS (614) 552-7900 – Phone  
(614) 552-7888 – Fax

### ***Glazers of Ohio (Nova Division)***

PETE HAMMER (330) 422-9463, ext. 3201  
(330) 422-4727 – Fax

### ***Heidelberg Spirits Marketing Group***

JOHN HASKINS (614) 308-0400 - Phone  
(614) 308-0500 - Fax

### ***RNDC-General***

ED NEMO (513) 769-5811 - Phone  
(513) 558-3687 – Fax

### ***Schuster Beverage***

DOUG SCHUSTER (614) 764-1420 – Phone  
(614) 764-1016 – Fax

### ***Southern Wine and Spirits of Ohio, Inc. (Independence Division)***

CHUCK MANCHICK (216) 671-7015 - Phone  
(216) 671-2299 – Fax

### ***Southern Wine and Spirits of Ohio, Inc. (Capital)***

ROB COOPER (614) 885-7676 - Phone  
(614) 885-8103 - Fax

## Ohio Liquor Laws and Rules

As a member of the alcoholic beverage industry, it is your responsibility to know the Ohio liquor laws and rules that apply to the operation of your business. The Division of Liquor Control has included copies of some of the statutes and administrative rules that may be of interest to you.

The attached information, however, is not a complete set of the laws and rules. We suggest that you consult with your attorney on any matters that involve your business and that you refer to, or obtain a copy of, the complete set of the liquor laws and rules as addressed under Chapter 4301. and 4303. of the Ohio Revised Code, Chapter 4301 of the Ohio Administrative Code, as well as pertinent sections in several other chapters of the Ohio Revised Code.

Please note that all of Ohio's liquor laws and rules under Chapters 4301. and 4303. of the Ohio Revised Code and Chapter 4301. of the Ohio Administrative Code can be accessed via the Division's web page at [www.com.ohio.gov/liqr](http://www.com.ohio.gov/liqr). You may also purchase a current edition of Ohio liquor laws and rules from Lexis Nexis by calling 1-800-562-1197 or online at [www.lexisnexis.com/bookstore](http://www.lexisnexis.com/bookstore).

## 4301.10(A)(8)

§4301.10(A)(8) provides the following regarding the collection of fees for solicitor registration, product registration and supplier registration:

- (a) A biennial fifty dollar registration fee for each agent, solicitor, or salesperson, registered pursuant to [section 4303.25](#) of the Revised Code, of a beer or intoxicating liquor manufacturer, supplier, broker, or wholesale distributor doing business in this state;
- (b) A fifty-dollar product registration fee for each new beer or intoxicating liquor product sold in this state. The product registration fee shall be accompanied by a copy of the federal label and product approval for the new product.
- (c) An annual three-hundred-dollar supplier registration fee from each manufacturer or supplier that produces and ships into this state, or ships into this state, intoxicating liquor or beer, in addition to an initial application fee of one hundred dollars

Each supplier, agent, solicitor, or salesperson registration issued under this division shall authorize the person named to carry on the activity specified in the registration. Each agent, solicitor, or salesperson registration is valid for two years or for the unexpired portion of a two-year registration period. Each supplier registration is valid for one year or for the unexpired portion of a one-year registration period. Registrations shall end on their respective uniform expiration date, which shall be designated by the division, and are subject to suspension, revocation, cancellation, or fine as authorized by this chapter and Chapter 4303 (<http://codes.ohio.gov/oac/4301%3A1-1>) of the Revised Code.

## 4301-1-01 Definitions

- (A) As used in this chapter and Chapters 4301-2, 4301-3, 4301-5, and 4301-9 of the Administrative Code, all words and phrases defined in section 4301.01 of the Revised Code shall have the same meaning as defined therein.
- (B) For purposes of this chapter and Chapters 4301-2, 4301-3, 4301-5, and 4301-9 of the Administrative Code:
  - (1) The word "broker" means a company that solicits sales of alcoholic beverages on behalf of a manufacturer or supplier but does not take possession of the alcoholic beverages in Ohio except as provided for in Revised Code Chapter 4301. or 4303., or rules promulgated thereunder.
  - (2) The word "solicitor" means an individual who solicits sales of alcoholic beverages on behalf of a manufacturer, supplier, wholesale distributor, or broker but does not take possession of the alcoholic beverages in Ohio, except as provided for in Revised Code Chapter 4301. or 4303., or rules promulgated thereunder.
  - (3) The word "supplier" means a company that sells alcoholic beverages in Ohio for resale at wholesale. A supplier does not manufacture or take possession of the alcoholic beverages in Ohio except as provided for in Revised Code Chapter 4301. or 4303., or rules promulgated thereunder.

**HISTORY: Eff 9-1-03**

## 4301-2-01 Registered Solicitors

### (A) Registration of individuals soliciting permit holders.

- (1) Any manufacturer, supplier, wholesale distributor, or broker of beer, wine, or mixed beverages, which products are to be sold or made in the state of Ohio, who is licensed or otherwise authorized to do business in Ohio, may employ individuals to serve as agents, solicitors, or salespersons. Any individual acting as such an agent, solicitor, or salesperson shall be required to register with the division every two years upon the individual's date of birth pursuant to section 4303.25 of the Revised Code. The individual shall submit a registration form provided by the division for that purpose. Registered solicitors shall, from time to time, furnish additional information as the division may desire. The registration form must be accompanied by a letter from the manufacturer, supplier, wholesale distributor, or broker of the product stating that the individual desiring to be registered is in its employ, and setting out the nature of the individual's duties in the state of Ohio.
- (2) Upon receipt of the registration form, the division may, in its discretion, issue credentials authorizing the individual, to act as a registered solicitor in accordance with Revised Code Chapters 4301. and 4303., and rules adopted thereunder. If the division refuses to issue credentials, it shall notify the applicant, in writing and within thirty days of receipt of the registration form, not including Saturdays, Sundays, or holidays, as to the grounds for refusal. Refusal to issue credentials may be appealed to the liquor control commission pursuant to section 4303.25 of the Revised Code.
- (3) Upon termination of employment of a registered solicitor, the employer shall notify the division in writing and within fifteen days of the termination. The registered solicitor must immediately return the credentials to the employer, who shall forward the credentials to the division within fifteen days of the termination.
- (4) Permit holders may inspect the registered solicitor's credentials before placing an order to purchase with them.
- (5) Registered solicitors may only solicit orders on behalf of the employer identified on their credentials.

### (B) Registration of individuals soliciting the division or permit holders.

- (1) Any manufacturer, supplier, or broker of spirituous liquor, who is licensed or otherwise authorized to do business in Ohio, who is doing or attempting to do business with the division or solicit Ohio liquor permit holders, may employ individuals to serve as agents, solicitors, or salespersons. Any

individual acting as such an agent, solicitor, or salesperson shall be registered by their employer every two years upon the individual's date of birth. The individual shall submit a registration form provided by the division for that purpose. Registered solicitors shall, from time to time, furnish additional information as the division may desire.

- (2) Upon receipt of the registration form, the division may, in its discretion, issue credentials authorizing the individual to act as a registered solicitor in accordance with Revised Code Chapters 4301, and 4303, and rules adopted thereunder. If the division refuses to issue credentials, it shall notify the applicant, in writing and within thirty days of receipt of the registration form, not including Saturdays, Sundays, or holidays, as to the grounds for refusal. Refusal to issue credentials may be appealed to the liquor control commission pursuant to section 4303.25 of the Revised Code.
- (3) Upon application and with the written consent of the division, samples of spirituous liquor may be delivered to a registered solicitor in care of the division under conditions imposed by the division. The Division shall record receipt of samples. Only the registered solicitor named on the application and consented to by the division may withdraw samples. The registered solicitor shall acknowledge receipt of any sample.
- (4) Upon termination of employment of a registered solicitor, the employer shall notify the division in writing and within fifteen days of the termination. The registered solicitor must immediately return the credentials to the employer, who shall forward the credentials to the division within fifteen days of the termination.
- (5) Permit holders may inspect the registered solicitor's credentials before placing an order to purchase with them.
- (6) Registered solicitors may only solicit orders on behalf of the employer identified on their credentials.

**HISTORY: Eff 12-24-59; 12-31-98**

## 4301:1-1-30 Beer, Wine, Mixed Beverage, or Spirituous Liquor Tasting

- (A) As used in this rule, "tasting" means the distribution of small amounts of brands of beer in servings of not more than four ounces per person, wine or mixed beverages in servings of not more than two ounces, or spirituous liquor in servings of not more than one ounce, to determine by tasting only the quality and character of the product, and not for general consumption purposes.
- (B) B-1, B-2, B-4, B-5, A-1, A-2, A-3, or A-4 permit holders, manufacturers of spirituous liquor, and any person issued credentials pursuant to rule 4301-3-01(I) of the Administrative Code, may conduct a tasting of beer, wine, mixed beverage, or spirituous liquor products, which have been qualified for sale in Ohio and which the permit holder, manufacturer, or registered solicitor is authorized to sell, for marketing purposes only, for themselves or for other groups or organizations. A tasting may be conducted at either the manufacturer's or distributor's place of business or any designated place where the event is closed to the general public, except that no tasting of spirituous liquor will take place on the premises of a state liquor agency. The manufacturer or distributor conducting the tasting, shall provide the product for the tasting without charge at the designated location. No fees shall be charged or donations accepted to attend or participate in a tasting.
- (C) Written notice of any beer, wine, mixed beverage, or spirituous liquor tasting must be submitted to the division of liquor control at least five working days, excluding Saturday and Sunday, before the tasting is to take place, and written approval must be received from the division before such tasting may be held.

**HISTORY: Eff 06/04/2004**

## 4301:1-1-32 Samples

- (A) A manufacturer, supplier, or wholesale distributor of alcoholic beverages or their registered solicitor may distribute samples of their products to wholesale distributors, retail permit holders, or their employees, or may distribute samples of sacramental wine for religious rites to clergy. Products eligible to be distributed as samples include any products or vintages qualified for sale in Ohio.
- (B) Only employees of manufacturers, suppliers, or wholesale distributors who are registered solicitors, pursuant to Chapters 4301. and 4303. of the Revised Code and section 4301-2-01 of the Administrative Code, may distribute samples pursuant to this rule.
- (C) Distribution.
  - (1) Registered solicitors may distribute samples either by providing a sealed container, not to exceed seven hundred fifty milliliters, or by providing servings of beer of not more than twelve ounces, wine and mixed beverages of not more than two ounces, or spirituous liquor of not more than one ounce, to determine by tasting only the quality and character of the product, and not for general consumption purposes.
  - (2) Products identified as samples may only be distributed during normal business hours at a permit premises. All such products shall be clearly marked "Sample."
  - (3) Registered solicitors may transport samples after they have been opened if the following conditions are met:
    - (a) The sample container is resealed with a type of lid, stopper, or seal appropriate for the container; and
    - (b) When in a motor vehicle, the sample container is not accessible from the driver's seat of the vehicle.
- (D) Samples shall not be sold.
- (E) Written records of the distribution of samples must be made available to the division of liquor control, upon request, for a period of one year from the date of the distribution.

**HISTORY:** Eff 11-1-85; 4-15-88; 1-31-91; 1-10-99; 4-6-01; 3-25-04

## 4301:1-1-45 Contests, prizes, sales incentive programs, rebates or other promotions.

- (A) Unless authorized under Revised Code Chapters 4301. or 4303., or rules promulgated thereunder, no merchandise or thing of value shall be given away in connection with the purchase of an alcoholic beverage.
- (B) A manufacturer or supplier of alcoholic beverages, their registered solicitor, or a third party acting on behalf of the manufacturer or supplier, excluding a wholesale distributor or retail permit holder, may offer contests, prizes, sales incentive programs, rebates, or other promotions. Contests, prizes, sales incentive programs, rebates, or other promotions may not be used by a wholesale distributor or retail permit holder to reduce the price of the alcoholic beverage.
  - (1) A manufacturer or supplier of alcoholic beverages, their registered solicitor, or a third party acting on behalf of the manufacturer or supplier, a wholesale distributor, or a retail permit holder may notify the consumer of a contest, prize, sales incentive program, rebate, or other promotion through printed or other media or methods.
  - (2) The entry forms and the point-of-sale materials for a contest, prize, sales incentive program, rebate, or other promotion may be distributed by the manufacturer or supplier of alcoholic beverages, their registered solicitor, a third party acting on behalf of the manufacturer or supplier, or a wholesale distributor for display and dissemination at the premises of a wholesale distributor or retail permit holder.
  - (3) In no event shall any contest, prize, sales incentive program, rebate, or other promotion be made with the financial assistance of any wholesale distributor or retail permit holder. No manufacturer or supplier shall require a wholesale distributor or retail permit holder to participate in a contest, prize, sales incentive program, rebate, or other promotion or be subject to any quota or other arrangement that requires the wholesale distributor or retail permit holder to purchase products of the manufacturer or supplier in order to distribute the entry forms or point-of-sale materials for the contest, prize, sales incentive program, rebate, or other promotion.
  - (4) At no time shall any manufacturer or supplier establish any quota or numerical amount of entry forms or point-of-sale materials that must be distributed by the wholesale distributor to any specific class or type of retail permit holder.
  - (5) No manufacturer, supplier, or wholesale distributor shall discriminate between permit holders within the same permit class, based upon size or

purchases of a particular brand, when distributing entry forms or point of sale material.

- (C) Should any of the contests, prizes, sales incentive programs, rebates or other promotions offered by the manufacturer or supplier be determined to be in violation of any federal law or rule, or state law or rule, the manufacturer or supplier shall be solely responsible and liable for the violation. In the event of such violation by the manufacturer or supplier, the wholesale distributor or retail permit holder shall be held harmless by the manufacturer or supplier, and shall not be deemed in violation of the state law or rule.
  
- (D)
  - (1) No employee, or member of the employee's immediate family, of the manufacturer, supplier, wholesale distributor, or retail permit holder shall be eligible to receive any prize or award from the contest, prize, sales incentive program, or other promotion. Employees and members of the employee's immediate family, of the manufacturer, supplier, wholesale distributor, or retail permit holder are eligible to apply for and receive a rebate, provided that they meet the same requirements as any consumer who applies for and receives a rebate.
  - (2) The manufacturer or supplier shall respond directly to the consumer about the contest, prize, sales incentive program, rebate or other promotion.
  - (3) No prize, award, or rebate may be made by or awarded through any retail or wholesale permit holder.
  - (4) No purchase of alcoholic beverages shall be required to participate in a contest, prize, sales incentive program, or other promotion; however, the purchase of alcoholic beverages may be required to participate in a rebate. Alcoholic beverages shall not be a prize or be given to any participant in any contest, prize, sales incentive program, rebate, or other promotion. No coupon reducing the cost of the alcoholic beverages at the point of sale shall be permitted.
  - (5) No one under the age of twenty-one shall be permitted to participate in or be awarded a prize, award, or rebate from a contest, prize, sales incentive program, rebate, or other promotion.
  
- (E) At no time shall a participant in a contest, prize, sales incentive program, rebate, or other promotion receive a prize, award, or rebate at the point-of-sale or from any retail permit holder or wholesale distributor. Prizes, awards, or rebates may be claimed by mail or other means that are not located at a retail permit holder's or wholesale distributor's permit premises.
  
- (F) The entry form for the contest, prize, sales incentive program, or other promotion may be attached by the manufacturer or supplier to any container of alcoholic beverage, or to any carrier or packaging containing such product, only if other

methods of entry are readily available to the consumer at the place of purchase, without requiring the purchase of such product. A rebate form may be attached by the manufacturer or supplier to any container of alcoholic beverage, or to any carrier or packaging containing such product, without making other methods of entry available, if a purchase of the alcoholic beverage is required to receive the rebate.

**HISTORY: Eff 7-5-50; 11-1-85; 5-11-92; 4-6-01; 11-14-05**

Section  
**6**

## Internet Links

Please complete the following forms (if applicable) and submit them with your listing request:

Currently Registered	New Supplier	<i>Form</i>	<i>Internet Link</i>
☐	✓	Application for Out of State Supplier (DLC1551)	<a href="http://www.liquorcontrol.ohio.gov/1551pdf.pdf">www.liquorcontrol.ohio.gov/1551pdf.pdf</a>
☐	✓	Application for Solicitor Registration (DLC1504)	<a href="http://www.liquorcontrol.ohio.gov/1504pdf.pdf">www.liquorcontrol.ohio.gov/1504pdf.pdf</a>
☐	✓	Authorization Agreement for Direct Deposit of State Warrants (OBM 1234)	<a href="http://ohiosharedservices.ohio.gov/Vendors.aspx?Page=2">http://ohiosharedservices.ohio.gov/Vendors.aspx?Page=2</a>
☐	✓	Declaration Regarding Material Assistance/NonAssistance to a Terrorist Organization (HLS 0036)	<a href="http://homelandsecurity.ohio.gov/dma/dma_forms.asp">http://homelandsecurity.ohio.gov/dma/dma_forms.asp</a>
✓	✓	Listing Presentation Form	<a href="http://www.liquorcontrol.ohio.gov/agencyForms.pdf">http://www.liquorcontrol.ohio.gov/agencyForms.pdf</a>
☐	✓	New Vendor Information Form	<a href="http://ohiosharedservices.ohio.gov/Vendors.aspx?Page=2">http://ohiosharedservices.ohio.gov/Vendors.aspx?Page=2</a>
✓	✓	Standard Quotation & Specification Form	<a href="http://www.liquorcontrol.ohio.gov/quote-spec-form.pdf">www.liquorcontrol.ohio.gov/quote-spec-form.pdf</a>
☐	✓	W-9	<a href="http://ohiosharedservices.ohio.gov/Vendors.aspx?Page=2">http://ohiosharedservices.ohio.gov/Vendors.aspx?Page=2</a>

*\*This document is intended for informational purposes only. Please do not submit with your listing request.*