

How to Become a Contract Liquor Agent

Becoming a Contract Liquor Agent:

- The Division of Liquor Control (Division) decides when and where an Agency is to be established and will contract with a qualified mercantile business to act as its agent for the sale of spirituous liquor at retail and to wholesale customers.
- When the Division determines that an Agency will be established or re-established in a particular area, an advertisement seeking applications for the contract is placed in the local newspaper and on the Division's website. Interested parties may contact the Division's Agency Operations Section at 614-644-2380 to request an application or go to the Division's website at <http://www.com.ohio.gov/liqr/Agency.aspx>.
- To be eligible, applicants must be engaged in, or be prepared to be engaged in, a mercantile business in the area specified. Applicants will return the application to the Division by a date specified by the Division. There is no application fee.
- If the Division is not seeking applications for an Agency in your area, but you would like to be a Contract Liquor Agent, you may notify Division's Agency Operations Section of your interest. Those notifications will be retained for five years. If an Agency opening becomes available in your area within that time, the Division will send you an application or print it from the Division's website.
- Spirituous liquor sold by Contract Liquor Agencies to licensed retailers and consumers is owned by JobsOhio Beverage System.

Agency Qualifications:

Personal

1. If an applicant is a sole proprietor or partnership, all individuals must be over 21 years of age and citizens of the United States. If the applicant is a corporation or limited liability company (LLC), all officers, shareholders and members must be over 21 years of age, but are not required to be citizens of the United States. Applicants should have no criminal record or serious liquor law violations.
2. The applicant must have knowledge or experience in operating a retail business and/or equivalent management skills.
3. The applicant must have adequate financial resources to establish a retail business. Contracts will not be awarded to anyone in bankruptcy or receivership, or who is delinquent in their taxes.
4. The applicant must provide equal opportunity to all job applicants without regard to race, color, national origin, sex, age, physical handicap, or marital status.

Location

1. Applicants must be engaged in, or be prepared to be engaged in, a mercantile business in the area specified.
2. The applicant must be able to provide the specified amount of linear feet of shelving for the display of liquor and specified square feet of storage space. In addition, the applicant must provide an updated cash register and computer for recording daily sales and maintaining cash, an office work area, telephone, internet access, and file cabinet.
3. The applicant must be able to commence sales operation under the terms of the contract on the date specified by the Division.

Agent Selection Process:

Each application is reviewed, a site visit is conducted, and the application is scored on an objective point basis. The evaluation committee makes a recommendation to the Division's Superintendent, who makes the final selection. A face to face interview with the evaluation committee may be requested.

Contract Highlights:

In accordance with the Agency contract, JobsOhio Beverage System will provide spirituous liquor to the Contract Liquor Agent, who will comply with the following:

1. The Agent shall receive spirituous liquor from a contract carrier company by tailgate delivery and shall securely store the consignment of liquor in their place of business.
2. The Agent shall account for all sales and make daily deposits of proceeds derived from the sale of spirituous liquor into a checking account in their own name and federal tax identification number. JobsOhio Beverage System would receive authorization from the Agency to withdraw funds via ACH transaction.
3. The Agent shall pay the premium and maintain a blanket surety bond.
4. The Agent will be paid a commission of 6% on retail sales and 4% on wholesale sales (if given authority for wholesale sales).
5. The Agent shall be liable for any damage to the liquor stock after it comes into his/her care, except stock loss due to fire, flood or other natural disaster, or incurred as the result of a breaking and entering.
6. All expenses of operating the Agent's business shall be borne by the Agent except for paper bags and computer printer paper.

Frequently Asked Questions:

1. How much does it cost to run a Contract Liquor Agency and how do I pay for the liquor?

Spirituous liquor is provided by JobsOhio Beverage System on a consignment basis. The Agent makes daily deposits into a checking account in their own name. The overall expenses of operating the business are paid entirely by the Agent, including bank account fees and the premium for a surety bond that is based on the value of the inventory.

2. What type of business qualifies for a liquor Agency contract?

A person must be engaged in an existing mercantile business or be prepared to operate a mercantile business, to act as a Contract Liquor Agent.

3. Can I start a new business?

Yes. An applicant can establish a business to include a Contract Liquor Agency. A business plan with market research, contingent lease agreement, and proof of financial resources must be provided during the application process.

4. Do I receive beer and wine permits with the Agency contract?

Yes. The Division will issue beer and wine carryout permits (C-1 & C-2) to all Contract Liquor Agencies.

5. Can I put the Contract Liquor Agency in business with on-premises consumption?

Agency stores shall not sell spirituous liquor for consumption on the premises. However, an Agency may sell beer, wine, and low-proof mixed beverages for on-premises consumption with the appropriate D-class permits. General consumption of beer, wine, or mixed beverages shall not be permitted in the area of the Agency store in which spirituous liquor is sold.

6. Will I be denied a Contract Liquor Agency if a public institution is within 500 feet of my business?

If the proposed Agency store is located within 500 feet of a school, church, library, public playground, or township park, the Division shall notify the institution and provide an opportunity for hearing on the advisability of entering into the contract.

7. Can I put the Contract Liquor Agency in my drive-thru carry out?

Customers cannot purchase spirituous liquor while in their cars at a drive-thru. The Agency can be placed in a walk-in carry out attached to a drive thru-business.

8. How do I get paid for selling liquor for the Division?

JobsOhio Beverage System will issue a commission check to the Agent based on the reported liquor sales. Currently, commissions are paid twice a month based upon sales reported.

9. How much work is involved in a Contract Liquor Agency?

There is daily banking to be completed before the close of the next banking day, as well as daily reporting of sales. The Agent must also complete price changes that occur at the first of the month, maintain the liquor inventory, conduct liquor sales, and take a monthly physical inventory. In addition, the Agent is responsible for proper maintenance of store and merchandising of product in order to capitalize on revenue potential.

10. Can I transfer my Contract Liquor Agency to another business?

Liquor Agency contracts cannot be sold as an asset of the Agent's mercantile business. When a business is sold, the Agent must notify the Division of the pending sale and give the 90 day termination notice. The Division may also consent to assign the Agency contract to another business.

If you are interested in operating a liquor agency, please go to the following address to learn of opportunities and obtain an application, or submit written correspondence to the Division and provide the following information:

Proposed Agency location (provide complete address)

- Applicant's name
- Address
- Phone number
- E-mail address

Send to: The Ohio Department of Commerce

Division of Liquor Control

Attn: Agency Operations

P.O. Box 4005, 6606 Tussing Rd.

Reynoldsburg, Ohio 43068-9005

E-mail: web.liqr@com.state.oh.us