

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Sub. H.B. 390 DATE: June 20, 1997
STATUS: As Reported by House State Government SPONSOR: Rep. Sawyer
LOCAL IMPACT STATEMENT REQUIRED: Yes
CONTENTS: Allows a local option election on the sale of beer, wine and intoxicating liquor for a portion of a precinct or residence district and changes the time between such elections

State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
Liquor Control Operating (Fund 043)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential minimal increase	Potential minimal increase

- The Division of Liquor Control in the Department of Commerce must give a petitioner for a local option election established under this bill the names and addresses of permit holders that would be affected by an election. While by itself this provision should not place a significant burden upon the Division, if the bill is enacted and petitions can be filed for November elections in 1997, the Division may have little time to provide this required information.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties			
Revenues	- 0 -	Potential gain for reimbursement of election costs	Potential gain for reimbursement of election costs
Expenditures	- 0 -	Potential increase beyond revenues	Potential increase beyond revenues
Municipalities and Townships			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential increase	Potential increase

- County boards of elections would be required to furnish printed ballots for the local option election. The board of elections will be reimbursed for election costs associated with the local option liquor election by the municipality or township in which the local option election occurs. Therefore, revenues should match expenditures for county boards of elections.
- County boards of elections could also incur additional costs. Under the bill, a person who is eligible to vote on a question brought forth in a petition for a local option liquor election can file a protest. A hearing would be held and a determination made regarding the validity of the petition. It would appear that the county



board of elections would hear the protest and make the ruling. Therefore, costs to the county board of elections could increase if protests are filed. The bill also requires the board of elections to provide a petitioner for a local option election the names of streets and, if appropriate, the address numbers of residences and business establishments within the affected precinct or residence district. Further, the board of elections is required to notify, through certified mail, each permit holder that would be affected by this type of local option election. Board costs for both of these provisions would increase. Depending upon the number of petitions filed, statewide costs could be significant. Finally, the board must certify the number of signatures needed for a petition and their validity, which could also raise expenditures.

- Municipalities and townships will bear certain costs of elections as related to this bill. The bill specifies that a separate ballot be used for the special election. Fairly significant costs could be incurred. In addition to printing costs, municipalities and townships would be responsible for paying poll workers, the costs of transporting and setting up election equipment and for paying any polling site rental costs. Costs for municipalities and townships could exceed several thousand dollars each.

Detailed Fiscal Analysis

The bill would allow a local liquor option election to be held in a residence district or a precinct that has both "wet" and "dry" sections. For example, a precinct may currently allow for the sale of beer and spirituous liquor but then annexes an area that does not. Apparently case law has ruled that the annexed area can retain their liquor classification, even if it is different from the area it is annexed into. This means that a precinct can have both "wet" and "dry" areas.

Since Ohio courts have determined that local liquor option elections cannot be held on individual permit holders or premises, elections presently have to be held by precinct or residence district. This bill attempts to change this requirement. Specifically, the bill allows a local option liquor election for just one part of a precinct or residence district. Under this bill, an election can be held in only one part of a precinct or residence district if that part has a different liquor classification than the rest. For instance, an election can be held in the "dry" portion of a precinct and not in the "wet" part. This process ensures that the outcome of the election in the dry section does not affect the "wet" section. Under current law, a precinct- or residence district-wide election would have to be held, with the outcome affecting both "wet" and "dry" areas.

The bill also changes the timeframe between which a petition for a local option liquor election can be submitted. Currently, an election can be held in a precinct or residence district only once every four years, whether the electors vote to approve the sale of alcoholic beverages or not. This bill changes that provision and allows an election to be held two years after a local option liquor election was defeated. (Local option liquor elections that approve the sale of alcoholic beverages would still provide for at least four years before the next election.) This change applies not only to the new form of local option liquor elections established in this bill, but also to the other types of local option liquor elections. The effect of this change will be to allow more frequent local option liquor elections and, therefore, potentially increase board of election and municipality and township costs.

State Effects

The Division of Liquor Control in the Department of Commerce must give a petitioner for a local option election established under this bill the names and addresses of permit holders that would be affected by an election. While by itself this provision should not place a significant burden upon the Division, if the bill is enacted and petitions can be filed for November elections in 1997, the Division may have little time to provide this required information.

Local Effects

County boards of elections would incur several costs associated with this bill. They include: printing ballots; providing a petitioner with the names of streets and, if appropriate, the address numbers of residences and business establishments within the affected precinct or residence district; notifying, through certified mail, each permit holder that would be affected by the type of local option election established under this bill; and hearing protests filed against a local option liquor election petition. Printing costs should be recovered from the municipality or township in which the local option election takes place. Costs related to the other areas would

appear to be borne solely by the county boards of election. Ultimately, the additional cost to any county board of election will depend upon the number of petitions filed.

Municipalities and townships would pay for the costs of holding a local option liquor election. Specifically, they will pay equipment, payroll, rental and printing costs. The costs of holding these elections could exceed several thousand dollars for an individual municipality or township.

□ *LBO staff: Rick Graycarek, Budget/Policy Analyst*

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