

- Municipalities and townships could bear certain costs of elections. The bill adds Sunday beer sales to the list of special election questions. If petitions are filed concerning this new provision, the municipality or township in which the election occurs would incur additional costs. Municipalities and townships would be responsible for paying poll workers, the costs of transporting and setting up election equipment, for paying any polling site rental costs and printing costs. Costs for municipalities and townships could exceed several thousand dollars statewide.

Detailed Fiscal Analysis

Retail Beer Advertising

This bill would remove the off-premise advertising prohibition for beer and malt beverages. Specifically, it would repeal the prohibition against liquor permit holders from advertising the retail price of products in any newspaper, circular, radio broadcast or television telecast or by any other media. It does not appear that this change will directly impact either the state or local governments.

As an aside, beer and malt retailers located in other states are not prevented from advertising their price of beer in Ohio. The reason...Ohio's law only pertains to the sale of beer and malt beverages in Ohio. Out-of-state retailers, therefore, can advertise beer and malt beverage prices in Ohio since they do not sell it here. (Ohio does prohibit the transportation of alcoholic beverages across state lines without a permit.)

Local Option Liquor Election

The bill appears to clarify what liquor stores could be affected by a local option liquor election question. Under current law (O.R.C. 4301.35), a local option liquor election question asks whether *state liquor stores* can provide for the sale of off-premises spirituous liquor. This bill would add "*state agency liquor stores*" to that question. Although the difference appears subtle, it actually reflects the recent significant shift in how spirituous liquor is sold in Ohio.

Since 1991, the state has pursued a course of converting state liquor stores to state agency liquor stores (more commonly referred to simply as "agency liquor stores"). State liquor stores were operated by state employees under the Department of Liquor Control (now the Division of Liquor Control in the Department of Commerce). Agency liquor stores, on the other hand, had (and still have) private sector employees and operators. The owners of the agency liquor stores receive a commission on the sale of spirituous liquor in that store. The commission for wholesale sales is six percent and for retail sales it is four percent. Agency stores do not have control over spirituous liquor prices or even inventory. Both are determined at the discretion of the Division. Since November 1996, all liquor stores in Ohio have been operated by the private sector.

The change from state-operated liquor stores to agency, or privately, operated liquor stores has leapt ahead of local option liquor election law. The changes in this bill appear to make existing local option law conform to the spirituous liquor environment today -- namely the operation of "state agency liquor stores."

Adding "liquor agency stores" to a local option liquor question under section 4301.35(D) does not appear that it would affect county boards of elections. The change, according to the division, simply reflects the new liquor store environment. As indicated above, the division no longer operates liquor stores. All are "liquor agency stores." This means that under current law, section 4301.35(D) does not mention liquor agency stores. However, if a local option election was held under this section of current law, liquor agency stores were equally affected by the outcome as state liquor stores. By adding "liquor agency stores" to section 4301.35(D), the bill

explicitly acknowledges their existence. It will not, though, spur new local option election petitions.

Under the bill, the Division of Liquor Control could incur very minimal expenses. The bill requires liquor agency stores to be notified of a local option election petition¹. In the process to file a petition, the petitioner must request from the division the names and addresses of all liquor agency stores from the division (section 4301.33). This is a new requirement for the division. However, with only around 290 liquor agency stores statewide, the potential burden upon the division is small.

Sunday Beer Sales

The bill also establishes a local option liquor election question on Sunday beer sales. Presently, the questions for Sunday sales are only for intoxicating liquor and wine and mixed beverages. The addition of this question could increase the number of special elections simply because the menu of questions has expanded. Special elections for Sunday beer sales would create additional costs for county boards of elections and the municipality or township in which the election occurs. The municipality or township would incur the greater expense, namely paying for holding the election. Their costs would potentially include paying for polling equipment, renting polling space and paying printing costs. Depending upon the number of special elections for Sunday beer sales, the increase in costs to municipalities and townships statewide could annually exceed several thousand dollars.

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¹ Presently, only permit holders are required to be notified.