

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: H.B. 402

DATE: June 11, 1997

STATUS: As Introduced

SPONSOR: Rep. Schuler

LOCAL IMPACT STATEMENT REQUIRED: No — Potential minimal cost

CONTENTS: Repeals the off-premise prohibition against liquor permit holders from advertising the retail price of beer and malt beverages

State Fiscal Highlights

- The state should not be directly fiscally affected by this legislation. (However, several academic studies have attributed the ability to advertise the retail price of beer to lower retail prices. They noted that retail beer advertising increased consumer information and heightened price competition. This could, presumably, increase consumption and, in turn, generate more revenues for the state.)

Local Fiscal Highlights

- Local governments will only be affected if retail price advertising for beer and malt beverages increases competition and drives some permit holders out of business. Since local governments receive 50% of liquor permit revenues, a decline in the number of permit holders in a local government's jurisdiction would lead to fewer revenues. However, the likelihood of this occurring appears minimal.



Detailed Fiscal Analysis

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.)

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

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