

- **New liquor permits.** This bill creates the F-8 liquor permit for certain nonprofit organizations to allow beer and intoxicating liquor to be sold at specific events on public spaces and ancillary streets that the organization manages. The fee for this permit is \$1,700 per year. Liquor permit fees are deposited into the Undivided Liquor Permit Fund (Fund 066) and then distributed to the GRF, the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) for treatment and prevention programming, and local governments. Expenses for the Department of Commerce's Division of Liquor Control to develop application forms and process applications are likely to be negligible at most.
- **State liquor store quota.** The bill would change the population quota to allow additional liquor agencies to be established for each 20,000 of population of that county or major fraction thereof rather than for each 25,000 of population, as in current law. While only Cuyahoga County is presently nearing their liquor store quota, if additional stores were established, it would have several possible impacts. The Division of Liquor Control may have to purchase a minimal amount of additional spirituous liquor merchandise out of funds in the Liquor Control Fund (Fund 043). There would likely be no measurable increase in spirituous liquor sales as a result of this change.
- **New criminal penalty.** As the bill creates a criminal penalty associated with selling beer or intoxicating liquor beyond the time specified by the permit, there is the possibility that the state may gain a negligible amount of revenue to the GRF and the Victims of Crime/Reparations Fund (Fund 402) from state court costs.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Municipalities and Townships – within Hamilton County			
Revenues	Potential minimal gain from the issuance of F-8 liquor permits	Potential minimal gain from the issuance of F-8 liquor permits	Potential minimal gain from the issuance of F-8 liquor permits
Expenditures	Potential minimal increase in adjudication costs for municipalities	Potential minimal increase in adjudication costs for municipalities	Potential minimal increase in adjudication costs for municipalities
Hamilton County			
Revenues	Potential minimal gain from court cost and fine revenue	Potential minimal gain from court cost and fine revenue	Potential minimal gain from court cost and fine revenue
Expenditures	Potential minimal increase in adjudication costs	Potential minimal increase in adjudication costs	Potential minimal increase in adjudication costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **Liquor permit fee revenue.** Municipalities and townships receive a portion of liquor permit fee revenue. The issuance of a new F-8 (in Hamilton County only) liquor permit would result in a minimal gain in liquor permit revenue for the local governments where the liquor permits are issued.
- **New penalty.** The bill prohibits any F-8 permit holder from selling beer or intoxicating liquor beyond the hour of sale allowed by the permit. Violators of this prohibition are guilty of a misdemeanor of the fourth degree, which carries a maximum sentence of 30 days and a maximum fine of \$250. Therefore, while local adjudication costs may minimally increase for Hamilton County and its municipalities, Hamilton County may also gain court cost and fine revenue to offset any increased costs.

Detailed Fiscal Analysis

New liquor permits

Nonprofit organizations – F-8 permit

This bill authorizes the Division of Liquor Control to issue an F-8 liquor permit, which is effective for a maximum of nine months, to a nonprofit organization that manages, for the benefit of the public and by contract with a political subdivision of Ohio, publicly owned property to sell beer or intoxicating liquor by the individual drink at specific events conducted on the publicly owned property and ancillary streets if and only at the times the sale of beer and intoxicating liquor on the premises is otherwise permitted by law. Currently, Ohio law requires each organization to acquire a permit for each event. The premises on which an F-8 permit will be used must clearly be defined and sufficiently restricted to allow proper supervision of the permit's use by state and local law enforcement officers. The holder of the permit is also required to notify the Division of Liquor Control, the Department of Public Safety, and the chief, sheriff, or other principal peace officer of the local law enforcement agencies in advance about specific events where beer or intoxicating liquor will be sold. An F-8 permit may only be issued if the publicly owned property is located in a county that has a population of between 750,000 and 900,000 on the effective date of the bill, effectively restricting such permits to Hamilton County.

Liquor permit fee revenue and expenses

The fee for the F-8 liquor permit is \$1,700 per year in addition to a \$100 processing fee, which covers the Division of Liquor Control's expenses in fingerprinting and making background checks for permanent license applications. Liquor permit fees are deposited into the Undivided Liquor Permit Fund (Fund 066) and then distributed to the GRF (45%), the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) for treatment and prevention programming (20%), and the local governments where the liquor permits are issued (35%). Expenses for the Department of Commerce's Division of Liquor Control to develop application forms and process applications are likely to be negligible at most.

State agency store quota

Under current law, up to five state liquor stores or agencies can be established in each county with an additional store allowed to be established in any county for each 25,000 of population of that county or major fraction thereof in excess of the first 40,000 according to the latest census or population estimates certified by the Department of Development between censuses. The bill would change the population quota to an additional state liquor store for each 20,000 of population of that county or major fraction thereof.

The Division of Liquor Control reports that there are 435 liquor agencies currently. The most populous counties in the state, such as Cuyahoga, Franklin, Hamilton, and Montgomery counties, would experience the largest increases in store quotas. However, according to the Division of Liquor Control, only Cuyahoga County is nearing its store quota limitation in the near term. There may be a minimal increase in spirituous liquor purchased to stock the new stores. However, this change is not likely to increase spirituous liquor sales in a measurable way beyond the current growth rate in spirituous liquor sales, which has been between 6% and 9% in the past several years, since this change is not expected to increase demand.

New prohibition

Sales under the F-8 permit are confined to the same hours permitted under a D-3 liquor permit, which allows sales until one a.m. The bill prohibits any F-8 liquor permit holder from selling beer or intoxicating liquor beyond the hours of sale allowed by the permit. Violators of this prohibition are guilty of a misdemeanor of the fourth degree, which carries a maximum sentence of 30 days and a maximum fine of \$250. As the bill creates a criminal penalty associated with violating the bill's prohibition against selling beer or intoxicating liquor beyond the time specified by the permit, there is the possibility that the state may gain a negligible amount of revenue to the GRF and the Victims of Crime/Reparations Fund (Fund 402) from state court costs. Additionally, criminal justice adjudication costs for Hamilton County and its municipalities may minimally increase from any criminal charges for violations, but Hamilton County may also gain court cost and fine revenue to offset the increased costs that may arise from violations of the prohibition.

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SB0102EN/rh