Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **S.B. 102** DATE: **March 28, 2007**

STATUS: **As Introduced** SPONSOR: **Sen. Schuler**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Authorizes the F-8 liquor permit to be issued annually to certain nonprofit organizations to allow the sale of beer and intoxicating liquor at specific events that occur throughout the year on public space the organization manages**

State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
General Revenue Fund			
Revenues	Potential gain from issuance of F-8 liquor permits	Potential gain from the issuance of F-8 liquor permits	Potential gain from the issuance of F-8 liquor permits
Expenditures	- 0 -	- 0 -	- 0 -
Undivided Liquor Permit Fund (Fund 066) – Commerce			
Revenues	Potential gain from the issuance of F-8 liquor permits	Potential gain from the issuance of F-8 liquor permits	Potential gain from the issuance of F-8 liquor permits
Expenditures	- 0 -	- 0 -	- 0 -
Statewide Treatment and Prevention Fund (Fund 475) – ODADAS			
Revenues	Potential gain from the issuance of F-8 liquor permits	Potential gain from the issuance of F-8 liquor permits	Potential gain from the issuance of F-8 liquor permits
Expenditures	- 0 -	- 0 -	- 0 -
Victims of Crime/Reparations Fund (Fund 402)			
Revenues	Negligible gain from state court costs	Negligible gain from state court costs	Negligible gain from state court costs
Expenditures	- 0 -	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2005 is July 1, 2004 – June 30, 2005.

- This bill creates the F-8 liquor permit for certain nonprofit organizations to allow beer and intoxicating liquor to be sold at specific events throughout the year on public spaces that the organization manages. The fee for this permit is $1,000 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.

- 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.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Municipalities and Townships			
Revenues	Potential gain from the issuance of F-8 liquor permits and court cost and fine revenue	Potential gain from the issuance of F-8 liquor permits and court cost and fine revenue	Potential gain from the issuance of F-8 liquor permits and court cost and fine revenue
Expenditures	Potential minimal increase in adjudication costs	Potential minimal increase in adjudication costs	Potential minimal increase in adjudication costs
Counties			
Revenues	Potential gain from court costs and fines	Potential gain from court costs and fines	Potential gain from court costs and fines
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.

- Municipalities and townships receive a portion of liquor permit fee revenue. The issuance of a new F-8 liquor permit would result in a minimal increase in liquor permit revenue for the local governments where the liquor permits are issued.

- 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 counties and municipalities, these entities may also gain court cost and fine revenue to offset any increased costs.

Detailed Fiscal Analysis

Overview

This bill authorizes the Division of Liquor Control to issue an F-8 liquor permit, which is effective for one year, 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. 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 in advance about specific events where beer or intoxicating liquor will be sold.

Liquor permit fee revenue and expenses

The fee for the F-8 liquor permit is $1,000 annually 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 Fund 066 and 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%). It is uncertain how many such liquor permits will be issued but it is likely to be relatively small as the permit requirements are fairly specific. 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.

New Prohibition

Sales under the F-8 permit are confined to the same hours permitted to the holder of 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, while municipal and county adjudication costs may minimally increase from any criminal charges for violations, these entities would also gain court cost and fine revenue to offset the increased costs that may arise from violations of the prohibition.

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