



Ohio Legislative Service Commission

Tom Middleton

Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 298 of the 129th G.A.

Date: November 29, 2012

Status: As Passed by the Senate

Sponsor: Sen. Cafaro

Local Impact Statement Procedure Required: No

Contents: Alters the conditions under which a D-5l liquor permit may be issued

State Fiscal Highlights

- The bill authorizes the issuance of D-5l liquor permits in the largest municipal corporation in a county with a population between 215,000 and 225,000. According to the census data certified by the Development Services Agency, this appears to affect only the city of Warren within Trumbull County.
- Depending on the amount of additional liquor permits issued in Warren, there would likely be a minimal gain in liquor permit fee revenue to the Undivided Liquor Permit Fund (Fund 7066).
- Amounts deposited into Fund 7066 are subsequently distributed to the State Liquor Regulatory Fund (Fund 5LP0) used by the Division of Liquor Control (45%), the local taxing district where the permit is issued (35%), and the Statewide Treatment and Prevention Fund (Fund 4750) used by the Department of Alcohol and Drug Addiction Services (20%).
- There could also be a minimal gain in revenue to the Liquor Control Fund (Fund 7043) from the \$100 processing fee that accompanies all permanent liquor permit applications.

Local Fiscal Highlights

- If more liquor permits are issued, the city of Warren would receive a portion of the liquor permit fees collected by the state and deposited into the Undivided Liquor Permit Fund (Fund 7066). Current law specifies that local taxing districts are to receive 35% of the permit fees attributable to permitted establishments within their jurisdiction. These revenues would presumably offset any costs to the city as a result of additional liquor permits.

Detailed Fiscal Analysis

Current law provides for the creation of revitalization districts that include or will include a combination of entertainment, retail, educational, sporting, social, cultural, or arts establishments in close proximity. Eligible communities are municipal corporations or townships of less than 100,000 in a county of less than 125,000 in population. Creating these types of districts allows for a specified number of additional liquor permits to be issued within their boundaries that are not subject to liquor permit quota requirements and that can be issued to retail food establishments and food service operations meeting certain requirements.

The bill authorizes the issuance of D-5l liquor permits in the largest municipal corporation in a county with a population between 215,000 and 225,000. According to the census data certified by the Development Services Agency, this appears to affect only the city of Warren within Trumbull County. After a revitalization district is established within the city, the bill allows for retail food establishments or food service operations to apply for D-5l permits that are exempt from permit quota limits in the city.

Overall, there is likely to be a minimal increase in the number of liquor permits issued. Although the exact number of new permits to be issued as a result of the bill is uncertain, current law authorizes no more than 15 D-5l permits to be issued within a single revitalization district. The fee revenue from these permits is initially deposited into the Undivided Liquor Permit Fund (Fund 7066) and subsequently distributed to the State Liquor Regulatory Fund (Fund 5LP0) used by the Division of Liquor Control (45%), the local taxing district where the permit is issued (35%), and the Statewide Treatment and Prevention Fund (Fund 4750) used by the Department of Alcohol and Drug Addiction Services (20%). Thus, these state funds and the city of Warren may experience a minimal gain in liquor permit fee revenue. Revenue to the city would presumably offset any costs as a result of additional liquor permits. There would also be a minimal gain in revenue to the Liquor Control Fund (Fund 7043) from the \$100 processing fee that accompanies all permanent liquor permit applications. The annual fee for the D-5l permit is \$2,344. There are currently 12 D-5l permits issued in the state.