



# Ohio Legislative Service Commission

*Joseph Rogers*

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## Fiscal Note & Local Impact Statement

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**Bill:** [Sub. S.B. 141 of the 130th G.A.](#)

**Date:** December 10, 2014

**Status:** As Passed by the House

**Sponsor:** Sen. Obhof

**Local Impact Statement Procedure Required:** No

**Contents:** Criminal prohibitions related to casino gaming financial transactions and instant bingo

### State Fiscal Highlights

- As a result of violations of the bill's criminal prohibitions, there could be a small number of additional offenders sentenced to a state prison, which would result in a no more than minimal annual increase in the Department of Rehabilitation and Correction's institutional operating costs.
- The expected small number of additional felony convictions resulting from violations of the bill's criminal prohibitions may generate, at most, a minimal amount of state court cost revenue for deposit in the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020).
- The provision permitting a charitable organization to apply in writing for an amended bingo license related to instant bingo other than at a bingo session may minimally increase the Attorney General's annual administrative costs, which could be offset to some degree by the required \$250 application fee.

### Local Fiscal Highlights

- The criminal justice systems of Cuyahoga, Franklin, Hamilton, and Lucas counties may incur minimal annual costs to investigate and prosecute violations of the bill's casino gaming related prohibited conduct, especially in light of the likelihood that assistance in these matters will be available from the Ohio Casino Control Commission and the Ohio Attorney General. Convictions and guilty pleas may also generate minimal locally retained revenue in the form of court costs and fines imposed on offenders by the sentencing court.

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## Detailed Fiscal Analysis

The bill: (1) establishes new criminal prohibitions and penalties related to casino gaming, and (2) modifies the law pertaining to the licensing of instant bingo other than at a bingo session.

### Casino gaming

In regards to casino gaming, the bill prohibits a person from "knowingly or intentionally" engaging in certain types of financial transactions or behavior related to financial transactions. These prohibited activities are generally related to what is termed "money laundering." A violation is a felony of the fifth degree on a first offense and a felony of the fourth degree for a subsequent offense. The table below summarizes current law's fines and possible prison terms generally applicable for felonies of the fourth and fifth degree. A court can generally impose a fine, a term of incarceration in jail or prison, or both.

Fines and Possible Prison Terms for Certain Felony Offenses Generally		
Offense Level	Fine	Possible Prison Term
4th Degree Felony	Up to \$5,000	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, or 18-month prison term
5th Degree Felony	Up to \$2,500	6, 7, 8, 9, 10, 11, or 12-month prison term

Under current law, if an offender is convicted of or pleads guilty to any fourth or fifth degree felony that is not an offense of violence, the court, rather than impose a prison term, is generally required to sentence the offender to a community control sanction of at least one year. If certain specified circumstances are present, the court is permitted to impose a prison term.

There are currently four casinos operating within the state, with one located in Cincinnati (Hamilton County), Cleveland (Cuyahoga County), Columbus (Franklin County), and Toledo (Lucas County).

### County fiscal effects

The counties most likely to be affected by the bill's prohibited conduct are those in which one of the state's four casinos is located, specifically Cuyahoga, Franklin, Hamilton, and Lucas counties. In those counties, the bill may result in an increase in the number of criminal investigations involving illegal activities related to financial transactions within casino gaming establishments, followed by an increase in the number of related criminal cases filed by prosecutors for courts of common pleas to adjudicate. This potential increase in investigations and prosecutions could create additional costs, primarily for county criminal justice systems, including law enforcement, prosecutors, public defenders/assigned counsel, common pleas courts,

and sanctioning.<sup>1</sup> These potential costs, however, are likely to be no more than minimal annually because: (1) in any given year, there are likely to be a relatively small number of new investigations and criminal cases related to violations of the bill's casino gaming prohibition, and (2) assistance in the investigation and prosecution of these matters is likely to be available from the Ohio Casino Control Commission and the Ohio Attorney General.

As noted, the maximum permissible fines for felonies of the fourth and fifth degree are \$5,000 and \$2,500, respectively. The fines and any related court costs collected from an offender would be retained by the jurisdiction that operates the trial court. The amount retained is likely to be no more than minimal, as the number of offenders convicted of or pleading guilty to a violation of the bill's prohibited conduct is likely to be relatively small.

### **State fiscal effects**

As a result of violations of the bill's criminal prohibitions, there may be a few additional offenders sentenced to a state prison, the results of which would be a no more than minimal annual increase in the institutional operating expenses of the Department of Rehabilitation and Correction. The average annual cost for the Department of Rehabilitation and Correction to incarcerate an offender in prison is currently around \$22,836 (or \$62.57 per day), with the marginal annual cost of adding an offender estimated at \$3,600.

With each conviction or guilty plea for a violation of the bill's criminal prohibitions, the state might gain revenue in the form of locally collected state court costs that are forwarded for deposit in the state treasury to the credit of the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020). The amount collected year in, year out is likely to be minimal at most, as the expected number of convictions or guilty pleas annually is expected to be relatively small. In the case of a felony, the court is generally required to impose state court costs totaling \$60, divided as follows: \$30 to Fund 5DY0 and \$30 to Fund 4020.

The bill also requires the Ohio Casino Control Commission to include in its annual report to the General Assembly information regarding prosecutions for conduct that is subject to the bill's casino gaming prohibition. There will be negligible administrative costs for the Commission to comply with this annual reporting requirement.

### **Instant bingo**

The bill permits a charitable organization to apply in writing to the Attorney General for an amended license to conduct instant bingo other than at a bingo session at

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<sup>1</sup> Sanctioning costs could include more restrictive residential sanctions (for example, a jail, community-based correctional facility, or halfway house) and less restrictive nonresidential sanctions (for example, basic or intensive probation supervision, day reporting, or electronic monitoring/house arrest).

additional locations not identified in the license. This provision may result in a minimal annual increase in the operating expenses of the Attorney General's Charitable Law Section, whose responsibilities include licensing nonprofit organizations that raise money through bingo and enforcing regulations related to charitable gaming. These expenses could be offset to some degree by the requirement under current law that a charitable organization pays a \$250 fee when applying for an amended license.

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