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## ***Detailed Fiscal Analysis***

This bill makes a variety of changes to the laws governing the Adjutant General and the Ohio National Guard. The majority of these changes will have no financial impact on the state or its political subdivisions. Those sections of the bill with financial implications are outlined below.

### ***Liquor Sales***

Under current law, the sale of intoxicating liquor at Ohio National Guard facilities is prohibited. The bill would allow the sale of liquor when a liquor permit has been issued and provides that violations will be subject to civil proceedings. Armories across the state are occasionally rented out for community programs and weddings. The bill will allow individuals renting the facilities to obtain temporary permits for the sale or serving of liquor during these functions. The state may realize a minimal increase in revenue from the issuance of these temporary permits. The Adjutant General may realize an increase in rental receipts if armories are rented more frequently due to the availability of liquor permits.

Under current law, guard members violating the prohibition of liquor sales on National Guard property are subject to court martial proceedings. The bill would cause any violations to be subject to the same regulations and civil or criminal proceedings under the jurisdiction of the Liquor Control Commission, whether or not the violator was a guard member.

### ***Municipal Income Taxes***

Under current law, training and activity duty military pay is exempt from municipal income taxes. Guard members participating in weekend or annual training exercises are on active duty at that time and their pay is exempt from municipal taxes. According to a spokesperson with the Adjutant General's office, a small number of municipalities have attempted to collect taxes on this pay; resulting in recurring expenditures of time and effort on the part of the Adjutant General's staff and the municipalities to resolve these issues. The bill tightens the exemption language by listing National Guard member's pay as exempt compensation.

### ***Acquisition of Guard Facilities***

Under current law, all facilities acquired by the Adjutant General, through gift or purchase, must be deeded to the state. The bill waives this requirement when the Adjutant General enters into an agreement with the United States, whereby the U.S. contributes to the cost of acquiring, designing, or constructing a facility for developing, training, or operating National Guard units. Since most armories are built under a federal/state cost sharing agreement, the state will no longer be required to hold the deed for these newly acquired or constructed guard facilities. If the federal government holds the deed to the property, the primary responsibility for the maintenance of the facility rests with the federal government. It is possible that the Adjutant General will realize a savings in the cost to maintain newly acquired or constructed armories.

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