

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 18** DATE: **May 23, 2007**

STATUS: **As Reported by House State Government** SPONSOR: **Rep. Carano**

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

CONTENTS: **Creates the T-1 liquor permit to authorize certain colleges and universities and professional athletic teams to allow the consumption of beer and intoxicating liquor brought into restricted areas on the property they own or lease**

State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
General Revenue Fund			
Revenues	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits
Expenditures	- 0 -	- 0 -	- 0 -
Undivided Liquor Permit Fund (Fund 066) – Commerce			
Revenues	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits
Expenditures	- 0 -	- 0 -	- 0 -
Statewide Treatment and Prevention Fund (Fund 475) – Alcohol and Drug Addiction Services			
Revenues	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits
Expenditures	- 0 -	- 0 -	- 0 -
Colleges and Universities			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	\$50 increase for each T-1 liquor permit	\$50 increase for each T-1 liquor permit	\$50 increase for each T-1 liquor permit

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 T-1 temporary liquor permit. The fee for this permit is \$50. Liquor permit fees are deposited into the Undivided Liquor Permit Fund (Fund 066) and 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.



- Only institutions with enrollment less than 15,000 students and professional athletic teams owning or leasing a stadium or arena that has a seating capacity of at least 4,000 would qualify for this permit. Five state higher education institutions, all 70 independent institutions statewide and most, if not all, of Ohio's professional sports teams meet these requirements.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Municipalities and Townships			
Revenues	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits	Potential gain from the issuance of T-1 liquor permits
Expenditures	- 0 -	- 0 -	- 0 -

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 T-1 liquor permit would result in a minimal increase in liquor permit revenue for the local governments where the liquor permits are issued.
- It is unlikely that this bill would increase local law enforcement costs. Presumably, police already patrol athletic events, removing, controlling, or arresting unruly or inebriated sports fans.

Detailed Fiscal Analysis

This bill creates the T-1 liquor permit to authorize certain colleges and universities and professional athletic teams to allow the consumption of beer and intoxicating liquor brought into restricted areas on the property they own or lease. According to the Board of Regents' *Policymaker's Guide* publication,¹ there are more than 130 institutions of higher education in Ohio. All state and private institutions of higher education with a full-time equivalent (FTE) student enrollment of less than 15,000 may apply for this permit. As of Autumn 2005, there were five public main campus institutions with an FTE student enrollment of less than 15,000 according to the Board of Regents' Higher Education Information System: Cleveland State University, Central State University, Shawnee State University, Wright State University, and Youngstown State University. However, of these five institutions, only Central State University and Youngstown State University have football teams. Colleges and universities with FTE student enrollments at or above 15,000 are exempt from the provisions in this bill.

According to an official with the Ohio Board of Regents' Higher Education Information System, all 70 independent colleges and universities in Ohio have an FTE student enrollment of less than 15,000. Therefore, in effect, all private or independent colleges and universities are eligible for the permit. However, many of Ohio's independent colleges and universities may not permit the consumption of alcohol on premises and thus would not apply for the T-1 permit. Note that this bill not only applies to collegiate football events, but also other collegiate sports at the specified colleges and universities and professional athletic events at stadiums with a seating capacity of at least 4,000. All of Ohio's seven major professional sports teams have stadiums or arenas that meet this requirement, as do many, if not all, of Ohio's minor league professional sports teams. Ultimately, it is uncertain how many schools or professional athletic teams would opt for the T-1 permit.

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. It appears that this bill will not create any substantial new local enforcement costs since law enforcement personnel already patrol sporting events, one of their tasks being to remove inebriated and disorderly sports fans.

Liquor Permit Fee Revenue

The fee for this temporary permit is \$50 and may only be effective for a maximum of three days. The \$100 processing fee, which covers the Division of Liquor Control's expenses in fingerprinting and making background checks for permanent license applications, does not apply to temporary liquor permit 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%).

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¹ Available at: <http://regents.ohio.gov/policymakersguide/campuses.php>.