



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 155 of the 128th G.A. **Date:** November 16, 2009

**Status:** As Reported by House State Government **Sponsor:** Rep. Yuko

**Local Impact Statement Procedure Required:** No — Possible indirect local effects

**Contents:** Instant bingo ticket dispensers

### State Fiscal Highlights

STATE FUND

FY 2010 – FUTURE YEARS

#### Charitable Foundations Fund (Fund 4180)

Revenues	Potential, likely no more than minimal, annual gain in license fees
Expenditures	Potential increase in Charitable Gambling Law administrative and enforcement costs, not likely to exceed minimal annually

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- **Office of the Attorney General expenditures.** LSC fiscal staff does not anticipate that the bill will noticeably increase the administrative and enforcement workload and related annual operating costs of the Charitable Foundations Section. Thus, the potential effect on the Attorney General's expenditures, in particular those associated with Fund 4180, appears unlikely to exceed minimal. In this context, "minimal" means a potential expenditure increase estimated at less than \$100,000 for the state per year.
- **Office of the Attorney General revenues.** According to staff of the Office of the Attorney General, by explicitly authorizing the use of instant bingo ticket dispensers, the bill may generate a slight increase in the number of licensing applications from charitable organizations; however, any increase in revenues would be minimal at most. In addition, there may be additional licensing applications from distributors of these devices, but again, any increase is expected to be minimal at most. In this context, "minimal" means a potential revenue gain estimated at less than \$100,000 for the state per year.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

### Overview

The bill: (1) amends current law related to the definition and use of instant bingo ticket dispensers, and (2) permits charitable organizations currently licensed to conduct instant bingo to purchase, lease, and use instant bingo ticket dispensers.

### State fiscal effects

#### Office of the Attorney General

**Expenditures.** The Office of the Attorney General's Charitable Foundations Section is responsible for licensing charitable organizations who apply for various bingo-related licenses as well as licenses for distributors of bingo-related supplies. In addition to its licensing function, the Section is authorized, in cooperation with local law enforcement agencies when necessary and appropriate, to investigate, examine accounts and records, conduct inspections, and take any other necessary and reasonable actions to administer and enforce the Charitable Gambling Law. The Section's operating expenses are financed by moneys appropriated from Fund 4180, which includes bingo license fee revenues, with any expenses of the Section in excess of moneys available in Fund 4180 paid from GRF line item 055321, Operating Expenses.

LSC fiscal staff does not anticipate that the bill will noticeably increase the administrative and enforcement workload and related annual operating costs of the Charitable Foundations Section. Thus, the potential effect on the Attorney General's expenditures, in particular those associated with Fund 4180, appears unlikely to exceed minimal. In this context, "minimal" means a potential expenditure increase estimated at less than \$100,000 for the state per year.

**Revenues.** Under current law, distribution and use of instant bingo ticket dispensers is prohibited. The bill lifts this restriction for those legally licensed to conduct charitable bingo. According to staff of the Office of the Attorney General, the result may be a slight increase in the number of licensing applications both from businesses that distribute instant bingo ticket dispensers and charitable organizations that would be allowed to use instant bingo ticket dispensers; however, any increase in revenues would be minimal at most. In this context, "minimal" means a potential revenue gain estimated at less than \$100,000 for the state per year, with the proceeds deposited in Fund 4180.

### Local fiscal effects

The bill will not directly affect local governments. It could, however, generate indirect effects in that local criminal justice-related agencies assist the Attorney General in the administration and enforcement of the Charitable Gambling Law. From the

perspective of local governments, a mix of two possible indirect outcomes is possible as follows.

- Certain local criminal justice-related agencies will not expend resources in the investigation and subsequent prosecution of persons who, under current law, might otherwise have been in violation of the instant bingo ticket dispenser prohibition, which the bill eliminates.
- Certain local criminal justice-related agencies may expend resources in the investigation and subsequent prosecution of persons who, subsequent to the bill's enactment, violate the rules regulating the purchasing, leasing, or use of instant bingo ticket dispensers.

However, it is problematic to predict with any certainty the manner in which this mix of possible indirect outcomes may affect any given local criminal justice system in any given year.