

# **Ohio Legislative Service Commission**

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# Fiscal Note & Local Impact Statement

**Bill**: H.B. 377 of the 128th G.A. **Date**: February 16, 2010

Status: As Introduced Sponsor: Rep. Garrison

**Local Impact Statement Procedure Required**: No — No local cost

Contents: Requires the Secretary of State to regulate petition circulators and petition entities and makes

other related changes

## **State Fiscal Highlights**

STATE FUND	FY 2010 – FUTURE YEARS							
General Revenue Fund – Secretary of State								
Revenues	-0-							
Expenditures	Potential increase in petition circulator registration and licensing costs for Secretary of State							
Uniform Commercia	al Code Filing Fund (Fund 5990) – Secretary of State							
Revenues	enues Potential gain in petition circulator license fees							
Expenditures	Potential increase in petition circulator registration and licensing costs							

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

- The bill requires that all petition circulators register with the Secretary of State and all petition-circulating entities obtain a license and be registered by the Secretary of State. The bill also requires the Secretary of State to develop a training program for all petition circulators. The Secretary of State's Elections Division would primarily be responsible for these duties.
- The Secretary of State's Elections Division is primarily funded through GRF appropriation item 050321, Operating Expenses, and supplemented by funding from appropriation item 050603, Business Services Operating Expenses, within the Uniform Commercial Code Filing Fund (Fund 5990). This fund is supported by various business filing fees.

## **Local Fiscal Highlights**

No direct fiscal effect on political subdivisions.

# **Detailed Fiscal Analysis**

#### **Overview**

The bill sets out specific requirements and prohibitions as it relates to petition circulators and petition-circulating entities. Specifically, the bill requires that (1) all *petition circulators* be registered with the Secretary of State, and that (2) all *petition entities* obtain a license and be registered with the Secretary of State. The bill also requires the Secretary of State to develop a training program for all petition circulators. Finally, the bill prohibits any individual who pleads guilty to or is convicted of an offense involving identify theft, fraud, or forgery under Ohio law, federal law, or the law of another state from circulating or witnessing the signing of any petition. The Secretary of State's Elections Division is responsible for overseeing Ohio election laws.

The number of issues placed on the statewide ballot through the initiative petition process within the last eight calendar years is shown in the table below. During this period, there have been as many as four initiative petitions on the ballot in a given election year. Any new cost that the Elections Division incurs for overseeing this new registration and licensing process would vary annually, depending on the number of issues on the ballot in each year.

Statewide Ballot Issues through Initiative Petition, CY 2002-CY 2009									
2002	2003	2004	2005	2006	2007	2008	2009		
1	0	1	4	4	1*	3**	1		

<sup>\*</sup>Initiative petition removed due to lack of signatures

#### Petition circulator registration and training costs

The bill requires petition circulators to register with the Secretary of State and requires the Secretary of State to establish a petition circulator training program. According to the Secretary of State, that office will need at least one additional employee to (1) administer the petition circulator training and registration systems and (2) oversee the licensing of petition-circulating entities. The petition circulator training program would most likely be available in an electronic format through the Secretary of State's web site. The relatively small cost to develop and maintain such a training program could be borne by GRF line item 050321, Operating Expenses, or paid for by part of the licensing fees collected from petition entities.

## Petition entity licensing and registration

The bill requires petition entities to obtain a license from the Secretary of State and to register the entity with the Secretary of State. Presumably, for each proposed statewide ballot issue there would be at least one petition-circulating entity responsible for obtaining sufficient valid signatures to place the item on the ballot. However, it is

<sup>\*\*</sup>Petitioner committee requested one of these three issues be removed from the ballot

possible that one petition entity could be responsible for multiple issues, or several entities could collaborate on a single issue. Because petition-circulating entities are often created for certain specific ballot issues, it is difficult to determine how many would be required to obtain a license from the Secretary of State. However, it would seem unlikely that there would be more than a minimal number of petition entities registering with the Secretary of State in any given year. Any license revenue collected by the Secretary of State would be deposited in the Uniform Commercial Code Filing Fund (Fund 5990).

Additionally, the bill establishes a fine of up to \$100 per day per circulator if any petition-circulating entity compensates a petition circulator without that entity first obtaining a license from the Secretary of State. Because the bill does not specify into which fund these fine revenues are to be deposited, it is assumed that any such proceeds would be credited to the GRF.

HB0377IN / cm