



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 170 of the 128th G.A. **Date:** December 8, 2009
Status: As Re-referred to Senate Government Oversight **Sponsor:** Sen. Faber

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Limits campaign contributions that can be made by entities seeking or permitted to operate video lottery games in Ohio

State Fiscal Highlights

STATE FUND

FY 2010 – Future Years

General Revenue Fund – Secretary of State

Revenues	- 0 -
Expenditures	Potential minimal increase to process additional campaign contribution filings

Elections Commission Fund (Fund 4P20) – Ohio Elections Commission

Revenues	Potential minimal gain in penalty revenue
Expenditures	Potential minimal increase due to increase in caseload

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

- **Secretary of State – required VLT operator filings.** The bill requires any entity that has filed an application to operate video lottery terminals (VLTs) in Ohio, or has been licensed to do so, to file a list of principal and key employees with the Secretary of State's Office and the applicable county board of elections. The Secretary of State would incur minimal new GRF expenses for fulfilling this requirement.
- **Ohio Elections Commission – hearing costs.** Cases involving alleged violations of campaign finance law are generally heard by the Ohio Elections Commission. The Commission could incur some minimal new costs for handling additional workload stemming from the violations included in the bill, although the number of new such cases is expected to be small.
- **Ohio Elections Commission – fine revenue.** Under the bill, principals or key employees of potential VLT operators who make a contribution in excess of the \$500 contribution limit specified in the bill and a political entity that accepts a contribution in excess of the limit would be fined three times the amount contributed or accepted in excess of the limit. Any resulting fine revenue would be deposited into the Elections Commission Fund (Fund 4P20).

Local Fiscal Highlights

- **County boards of election – required VLT operator filings.** The bill requires any entity that has filed an application to operate video lottery terminals (VLTs) in Ohio to file a list of principal and key employees with the applicable board of elections, as well as the Secretary of State's Office, within 30 days of submitting the application. Already licensed entities would be required to make these filings on January 1 and July 1 of each year. Boards of elections could incur some small additional costs for handling these filings.

Detailed Fiscal Analysis

Contribution limits – Ohio Elections Commission

The bill prohibits a principal or key employee of an entity that is applying for a license or other authorization, or that is licensed or otherwise authorized, to operate video lottery terminal games in Ohio from making a contribution or contributions exceeding \$500 to a campaign committee, political action committee, political contributing entity, legislative campaign fund, political party, or person making disbursements to pay the direct costs of producing or airing electioneering communications in a primary election period or in a general election period. The bill similarly prohibits each of those political entities from accepting a contribution or contributions exceeding \$500 in a primary election period or in a general election period from such a principal or key employee. A violation of the \$500 contribution limit would result in a fine equal to three times the amount contributed or accepted in excess of the \$500 limit.

As a result of the bill's requirements, the Ohio Elections Commission could incur new costs for hearing cases involving these alleged violations. However, there are likely to be few such cases. Ordinarily, the Commission handles between 800-1,000 cases annually, the vast majority of which, according to the Commission, deal with candidates, campaign committees, political action committees, or corporations that are either late in filing or fail to file the required campaign finance reports. The Elections Commission Fund (Fund 4P20) would be used to pay for any such additional expenses. This is also the fund into which fine revenue from violations of the bill's contribution limits would be deposited.

Secretary of State and county boards of elections – operator filings

The bill also requires each entity that is applying for a license or other authorization to operate video lottery terminal games in Ohio to file with the Secretary of State and, if the entity has a facility in this state, with the board of elections of the county in which the facility is located, a list of all principals and all key employees not later than 30 days after submitting the application. If the operator has already been licensed or authorized to operate VLTs in Ohio, these filings must be made no later than January 1 and July 1 of each calendar year. The cost to the Secretary of State's Office for handling these filings is likely to be minimal, and would be paid for from GRF appropriation item 050321, Operating Expenses. County boards of elections would also incur some small new administrative expenses for handling these filings as well.