



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.J.R. 4 of the 131st G.A.

Date: June 24, 2015

Status: As Reported by House Government
Accountability and Oversight

Sponsor: Reps. Smith and Curtin

Local Impact Statement Procedure Required: No

Contents: Proposes to amend the Ohio Constitution to modify the procedure to propose a law or constitutional amendment by initiative petition and prohibit constitutional monopolies

State Fiscal Highlights

- The proposed constitutional amendment would be placed on the November 3, 2015 general election ballot. Appropriations made to the Controlling Board under GRF appropriation item 911411, Ballot Advertising Costs, are used to reimburse the Secretary of State for expenses incurred in advertising ballot issues statewide.
- The amounts of the reimbursements approved by the Controlling Board are transferred to the Statewide Ballot Advertising Fund (Fund 5FH0) under the Secretary of State's budget.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Content of resolution

The resolution proposes to prohibit electors from proposing a constitutional amendment by initiative petition that would grant or create a monopoly or special interest, privilege, benefit, right, or license of a commercial economic nature to a person or entity that is not available to other similarly situated persons or entities at the time the initiated amendment is scheduled to become effective. Under the resolution, a two-step process exists to create an exception to the prohibition described above. First, the petitioners must propose a constitutional amendment that would repeal or suspend the anti-monopoly prohibition, or create an exception to it. That proposal must contain no other provision. Then, if this first proposal is adopted, the petitioners must propose a second constitutional amendment at a subsequent election that creates the monopoly. Overall, it is unclear whether or not the provisions contained in this resolution would

ultimately lead to an increase in the number of ballot measures that may appear on subsequent ballots. However, if there was such an increase, there would be associated increases in ballot advertising costs that the state would be required to cover.

The resolution also requires petitioners who seek to initiate a law or a constitutional amendment to submit an initial petition to the Attorney General that includes the proposed law or amendment and a summary of it. The Attorney General must then examine the summary to determine whether it is a fair and truthful statement of the proposal. The Attorney General would also examine the proposed amendment to determine whether or not it meets the monopoly standards set forth in the resolution. A petitioner may challenge the Attorney General's determination in the Ohio Supreme Court. Additionally, the Ohio Ballot Board, under the resolution, must determine whether an initial petition submitted for review contains only one proposed law or constitutional amendment. These provisions are in statute and are the current practice of the Attorney General's Constitutional Offices Section and Ohio Ballot Board. The resolution would simply make these provisions, as well as a review of the monopoly provisions of the resolution, part of the Constitution as well.

Ballot advertising costs

If both chambers of the General Assembly approve the resolution and the issue is placed on the statewide ballot for the November 3, 2015 general election, the Secretary of State would incur costs for ballot advertising under Section 1 of Article XVI of the Ohio Constitution. Section 1 requires that ballot language, the explanations, and arguments, if any, be published once a week for three consecutive weeks preceding the election in at least one newspaper of general circulation in each county of the state where a newspaper is published.

The ballot advertising costs that the Secretary of State incurs are paid for on a reimbursement basis from GRF moneys appropriated to the Controlling Board, specifically GRF line item 911411, Ballot Advertising Costs. Once authorized, the reimbursable amounts are transferred by the Controlling Board to the Statewide Ballot Advertising Fund (Fund 5FH0) under the Secretary of State's budget. Ballot advertising expenses depend on the length of the ballot language. As a guide, the Secretary of State spent \$447,473 in ballot advertising costs for statewide issues that appeared on the ballot during FY 2014. Statewide ballot advertising costs for this resolution, because it involves a single ballot issue, would likely be considerably less.