OHIO LEGISLATIVE SERVICE COMMISSION

www.lsc.ohio.gov

Office of Research and Drafting

Legislative Budget Office

S.B. 63
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for S.B. 63's Bill Analysis

Version: As Reported by Senate General Government

Primary Sponsors: Sens. Gavarone and DeMora

Local Impact Statement Procedure Required: No

Jared Cape, Budget Analyst

Highlights

- A municipal or county government that chooses to adopt the use of ranked choice voting would see a loss of Local Government Fund (LGF) distributions. However, since ranked choice voting is not currently used in Ohio, the bill has no immediate fiscal effect on the state or political subdivisions.
- LGF distributions withheld from political subdivisions under the penalty mechanism in the bill would be deposited in the General Revenue Fund.

Detailed Analysis

Overview

As ranked choice voting is not currently used in Ohio, the bill will not have any immediate fiscal effect on the state or political subdivisions.[1] The bill prohibits any election from being conducted in Ohio using ranked choice voting. However, the bill allows a county or municipal corporation to use its home rule powers under the Ohio Constitution to adopt a ranked choice voting system. However, if a municipal or county government were to adopt the use of ranked choice voting, they would lose their portion of Local Government Fund (LGF) distributions according to the withholding mechanism in the bill.

[1] Instant run off voting (IRV) is a form of ranked choice voting and is sometimes used interchangeably. Ranked choice voting (RCV) includes other voting systems such as the single transferable vote (STV).

Penalty for local governments

Under the bill, a county or municipal corporation that approves the use of ranked choice voting via a resolution or ordinance becomes ineligible to receive distributions from the LGF beginning in the month following the adoption of the resolution or ordinance. If it rescinds the resolution or ordinance, the county or municipal corporation regains its eligibility for LGF payments beginning with the month following the last day the resolution or ordinance is in effect. After regaining eligibility, the county or municipal corporation can receive future payments, but it cannot receive back payments for the period of ineligibility. The withheld LGF funding would be deposited in the General Revenue Fund. LGF distributions[2] to certain political subdivisions would be reduced based on their resolution or ordinance to use ranked choice voting, with any revenue loss dependent upon the amount of LGF distributions of each political subdivision that approves such resolution or ordinance. The amount of revenue credited to the state GRF would depend on the total amount of LGF payments withheld from such subdivisions.

Secretary of State

The bill requires the Secretary of State to determine whether a county or municipal government has adopted or abandoned use of ranked choice voting and promptly notify the Tax Commissioner. The Secretary of State would make these determinations indicating if LGF distributions should be allowed or discontinued under the bill. The Secretary of State will incur minimal costs for making these determinations.

FNSB0063RS-136/zg

---

[2] Currently, the state allocates monthly distributions from the LGF through three channels. First, money in the LGF is distributed to each county's county undivided local government fund (CULGF); subsequently, money in the CULGF is distributed to each political subdivision in the county, including county government itself, based on the county's own determination. Second, a portion of LGF revenues is distributed directly by the state to eligible municipalities based on a population formula. Lastly, in each month, $1 million of the LGF is set aside for supplemental payments to villages with a population of less than 1,000 and to townships.