

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Sub. H.B. 507 DATE: January 7, 1998

STATUS: As Reported by House Civil & Commercial Law SPONSOR: Rep. Bateman

LOCAL IMPACT STATEMENT REQUIRED: No — No local cost

CONTENTS: Removes the limitation on the number of claims that can be filed in small claims court by a state university

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
State Universities and Colleges			
Revenues	Potential significant increase	Potential significant increase	Potential significant increase
Expenditures	Potential minimal decrease	Potential minimal decrease	Potential minimal decrease

Local Fiscal Highlights

- No direct fiscal effect on local governments.

Detailed Fiscal Analysis

Current law prohibits institutions of higher education from filing more than 24 claims per year in a municipal or county court's small claims division. This bill would remove this limitation for the state's four-year public universities, branch campuses, technical colleges, community colleges, medical colleges and proprietary schools registered with the State Board of Proprietary School Registration. Private universities and colleges would not be affected by this change unless registered by the State Board of Proprietary School Registration.

This change should not have a dramatic affect upon the operation of the courts. Several schools have indicated that they would use small claims court very sparingly. However, small claims court appears to be an effective avenue for following through on the collection of past due accounts. Bowling Green State University was able to collect \$52,000 out of \$84,000 owed in back charges by using their local small claims court. Universities might find this method of collection easier and more efficient than using collection agencies, which normally take a percentage of the collected accounts. Recently, the state universities have individually had annual amounts of past due accounts ranging from \$100,000 to nearly \$500,000 for some of the state's larger institutions. Tuition and fees from universities are not part of the state's GRF and unpaid accounts are not factored into the budget of the Board of Regents. This change should have a positive fiscal effect on schools, but not specifically on the state.

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