

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: **Am. Sub. S.B. 83** DATE: **December 16, 1998**

STATUS: **As Passed by the House** SPONSOR: **Sen. B. Johnson**

LOCAL IMPACT STATEMENT REQUIRED: **Yes** **Introduced version had required cost**

CONTENTS: **Authorizes certain municipalities to establish non-criminal land use infractions, and removes racially restrictive covenants in certain documents**

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
Franklin County and Municipalities in Franklin County			
Revenues	- 0 -	Potential gain that could more than offset costs	Potential gain that could more than offset costs
Expenditures	- 0 -	Potential increase	Potential increase
Certain Municipalities			
Revenues	- 0 -	Potential minimal loss	Potential minimal loss
Expenditures	- 0 -	Potential minimal decrease	Potential minimal decrease
All Counties			
Revenues	- 0 -	Potential minimal loss	Potential minimal loss
Expenditures	- 0 -	Potential minimal increase or decrease	Potential minimal increase or decrease

Local governments in Franklin County

- The bill's land use infraction provisions could only be adopted by municipalities within the jurisdiction of the environmental division of a municipal court. Currently, only Franklin County has such an environmental division.
- Municipalities in Franklin County that do not currently have a civil citation process for code violations, and that chose to adopt the process set forth in the bill, could realize a gain in fine revenues. Such municipalities could also have increased costs in order to follow the procedures required by the bill. Any revenue gain could more than offset any additional costs.
- The Franklin County Municipal Court could have an increase in civil cases as a result of the bill, which could increase both costs and revenues to counties and municipalities within Franklin County. The court could also have additional costs to record judgments filed against violators who are delinquent in paying



finer assessed, to maintain a separate record of the judgments filed against violators, and to disburse fine moneys to the appropriate municipal corporations.

Counties and/or certain municipalities

- Extending the number of days required to serve notice for an eviction hearing could result in a minimal decrease in costs to counties and certain municipalities, that help fund courts with the county, by easing the number of eviction cases heard. A subsequent decrease in any fee revenue from such cases could also result.
- County recorder offices could incur minimal costs in order to delete references to restricted covenants in certain documents.

Detailed Fiscal Analysis

Land use infraction provisions

The bill authorizes municipalities within the jurisdiction of an environmental division of a municipal court to establish non-criminal land use infractions for violations of municipal regulations, codes, or resolutions that regulate:

1. Parking on private property
2. Motor vehicle service or repair businesses in residential districts
3. Signage and other graphics displays
4. The display of house numbers on buildings

Once a municipality chooses to specify such code violations as “land use infractions,” then the municipality must follow the procedures set forth in the bill. The bill sets forth requirements for municipalities to create a land use infraction citation and procedures that must be followed for issuing a land use infraction citation.

Fiscal effects

Because municipalities within the jurisdiction of an environmental court can only adopt the bill’s land use infraction provisions, only municipalities in Franklin County could adopt such land use infraction provisions. However, in the future, municipal courts in other counties could create environmental divisions. In such an event, additional municipalities would be able to adopt the land use infraction provisions in the bill.

Impact on Columbus and the Franklin County Municipal Court

The largest city in Franklin County that could adopt the land use infraction provisions is the City of Columbus. According to Columbus officials, the city only pursues code violations as criminal matters and would likely choose to adopt the land use infraction procedures in the bill. A Columbus code enforcement official said that the city could realize an increase in fine revenue and be able to more effectively utilize the time of its code enforcement officers if it adopted the land use provisions in the bill.

The official stated that the bill’s provisions would be used to enforce relatively minor infractions that do not warrant the significant time investment required in going through the criminal process. Such minor violations could include not having address numbers on one’s house or parking a car in one’s front yard.

The official estimated that Columbus officials currently pursue between 1600 and 1800 of these relatively minor violations each year, and that under the bill the number of “minor” violations that Columbus officials pursue each year could increase by about 5 percent. Of all the infraction violations Columbus enforces each year, about 15% end up going to trial. Therefore, under the bill, the Franklin County Municipal Court could have about 14 more cases in the courts each year than under current law. This could increase court costs and fee revenue going to Franklin County and fine revenues going to the city.

Other municipalities in Franklin County

In addition to Columbus, 24 other municipalities in Franklin County would be able to adopt the land use infraction provisions. If any of these smaller municipalities chose to adopt the land use infractions provisions of the bill, the fiscal effects could be similar to those described for Columbus above, except costs and revenues would likely be less. Many communities may not make use of the provisions, because the municipality does not have the personnel to do so or because they do not have enough violations to warrant it. Presumably, a municipality would only choose to adopt the land use infraction provisions if it was beneficial for it to do so.

If more municipalities in Franklin County chose to adopt the land use infraction provisions, the number violation citations issued in the county could increase further. This could more dramatically increase the number of cases that the municipal courts would hear, increasing court costs and fee revenue going to Franklin County and fine revenues going to the respective municipalities.

Service of eviction notice provisions

The bill creates procedures for landlords to serve notices of eviction hearings to tenants, and expands the number of days prior to the hearing by which notices must be served from 5 days to 10 days.

Extending the number of days required to serve notice for an eviction hearing could result in a minimal decrease in costs to county and municipal courts by easing the number of eviction cases heard. A subsequent decrease in any fee revenue from such cases could also result. The extension would provide more time for a landlord and tenant to resolve issues resulting in eviction, reducing the likelihood that a hearing will be necessary. This potential reduction in the number of eviction cases receiving a hearing could result in the fiscal effects described above for counties and municipalities that pay for courts and receive court fee revenue.

Overall, the bill's eviction procedures are very similar to those currently required by law under the Rules of Civil Procedure. Therefore, the procedures should not have a fiscal impact on the local governments beyond those described above from the change in the time required to serve notice.

Eliminating restrictive covenants

The bill requires the exclusion of restrictive covenant references in applications, registration decrees, registers of titles, sectional and tract indexes, title insurance policies, and other documents.

The county recorder would be required to delete from sectional and alphabetical indexes all references to restricted covenants that appear to apply to a parcel of land. Any inclusion of a restrictive covenant in a transfer, rental, or lease of housing accommodations, any honoring or exercising, or any attempt of honoring or exercising a restrictive covenant constitutes an unlawful discriminatory practice.

Under the bill, county recorders would be prohibited from doing any of the following:

1. Transcribing or binding in the register of titles, or filing a registration decree, which sets forth any restrictive covenant. Any inclusion of a restrictive covenant in a transfer, rental or lease of housing accommodations, any honoring or exercising, or any attempt of honoring or exercising a restrictive covenant constitutes an unlawful discriminatory practice under the Ohio Civil Rights Commission.
2. Making and delivering to the owner of registered land an owner's duplicate of title if the above prohibition is violated.
3. Issuing any duplicate title, certified copy of lost title, or any new certificate, without first deleting any reference in the document to a restrictive covenant.
4. Initially entering any memorial, notation, or memorandum referring to a restrictive covenant.
5. Carrying forward any memorial, notation, or memorandum referring to a restrictive covenant.
6. Filing any instrument or paper that relates to registered land referring to a restrictive covenant.
7. Entering or indexing any instrument or paper referring to a restrictive covenant.

Fiscal effect

County recorders would be required to delete discriminatory language in certain documents filed with their offices. These provisions of the bill could raise costs for county recorder offices. However, a spokesperson for the Ohio County Recorder's Association stated that county recorder offices would not be fiscally affected by this bill. According to a Hamilton County Recorder Office spokesperson, their office deletes restrictive covenants from their land registration procedures. Therefore, these provisions may not affect some county recorder offices at all.

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