

- Counties and townships could gain increased revenue from zoning application fees and incur increased costs to enforce zoning codes for additional businesses. Assuming a county or township already has the necessary zoning personnel and procedures in place, the county or township could realize a minimal gain in revenue.
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Detailed Fiscal Analysis

Provisions of the Bill

Under current Ohio law, PUCO is authorized to regulate moving companies as to any price, route, or service offering. The bill removes such authority, but requires PUCO to establish a certification system for moving companies. Under the new system, moving companies would be required to show proof of workers' compensation coverage, unemployment compensation coverage, and proof of financial responsibility in regard to liability insurance and bonding requirements. A company that fails to obtain a certificate under the certification system or to comply with an order of the PUCO is subject to a fine of up to \$1,000 per day per violation. Fine money goes to the Transportation Enforcement Fund.

Under the bill, PUCO would also be authorized to regulate any joint agreements made between moving companies, subjecting them to the same standards that apply to the Federal Surface Transportation Board under federal law. Certified moving companies would have to abide by the Ohio Consumer Sales Practices Law. The bill authorizes PUCO to charge application fees as high as is required to cover the costs of administering the certification process.

Finally, the bill authorizes counties and townships to adopt zoning regulations regarding public utilities engaged in the business of transporting persons and/or property.

State Effects

A PUCO official said that the Commission would be able to implement the new certification system by utilizing the equipment and personnel the Commission already has in place for registering freight carriers and non-exempt movers. As a result, the bulk of the \$5,000 to \$7,000 required for start-up costs would be used to notify movers, exempted under current law, that they must register with PUCO under the bill.

The official estimated that PUCO currently regulates about 88 household goods moving companies. In order to operate a moving company in a countywide area, one must first go through a hearing process with PUCO and demonstrate that there is an "economic need" for an additional company. The company may submit evidence and bring witnesses to prove its case. During the hearing process, companies that already hold authority in a particular county may submit evidence and bring witnesses to demonstrate there is not an "economic need" for another company. The official indicated that obtaining authority to operate a moving company throughout a particular county is generally an expensive process that can take up to three years, if one is granted authority at all.

This hearing process has been the most expensive part of regulating household goods movers under current law. A PUCO official estimated that in a typical year the Commission held 20 hearing days a year for individuals seeking to obtain authority to operate a moving company.

On average, the cost of holding such cases each year was about \$12,000. This cost includes such costs as paying hearing officers and hiring court recorders. However, the official said that no hearings have been held in the past two to three years as prospective moving company operators have been hoping that legislation would be passed that would not require a hearing to obtain operating authority. Without such legislation, LBO anticipates that in future years the number of hearings would increase back to its usual past level. Therefore, the bill could reduce costs for hearings by about \$12,000 in future years.

A PUCO official said that fees charged under the bill's certification system would be the same as under the current system. This means that there would be no application fee, but that companies would have to purchase operating "receipts" for each truck used to transport goods. Also each company must show proof of liability insurance and file a price tariff. Companies do not have to show proof of workers' compensation and unemployment insurance coverage, as is required in the bill.

Currently, PUCO charges \$30 for a tractor trailer receipt and \$20 for a straight truck receipt. A PUCO official estimated that a company could have anywhere from 1 to 15 trucks, with the average about 8 trucks. PUCO estimates that under the bill about 1000 additional moving companies that currently operate as exempt movers would have to register with PUCO. Assuming that all these additional companies use straight trucks and the average number of trucks is eight, PUCO could collect about \$160,000 in additional revenue. This revenue would go to the Household Goods Movers Fund created in the bill to cover the costs of operating the certification system.

Local Effects

Counties and townships that chose to impose zoning regulations on public utilities engaged in the business of moving persons and/or property could have both increased costs and increased fee revenue. Overall, a county or township could realize a gain in revenue. PUCO officials estimate that there about 5000 moving companies based in Ohio that have building facilities that could fall under county or township zoning.

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