

Fiscal Note & Local Impact Statement

123rd General Assembly of Ohio

BILL:	Sub. H.B. 292	DATE:	October 26, 1999
STATUS:	As Passed by the House	SPONSOR:	Rep. Willamowski
LOCAL IMPACT STATEMENT REQUIRED:	No — No local cost		
CONTENTS:	Provides for the enforceability of commitments to pay attorney's fees in commercial contracts of indebtedness		

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill specifies that attorney's fees can be collected under a contract of indebtedness in cases where the total amount owed on the contract at the time it was entered into exceeds \$250,000. The amount of that can be collected is based upon whether or not the percentage of fees to be paid has been specified in the contract. The customary charges of the attorney are used when a specific percentage is not stated in the contract. The bill also expands the first tier of distribution of proceeds from the sale of collateral after default to include reasonable attorney's fees and legal expenses.

The bill provides greater detail regarding the terms of a contract of indebtedness. The bill does not pose any additional fiscal effect on state and local governments. Under the bill, judges will have a simpler task determining the penalty for dissolving a business contract since the various provisions are better defined. The determination of attorney's fees will not impact court costs or other fees collected by the municipality, township, county or state.

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