

Fiscal Note & Local Impact Statement

123rd General Assembly of Ohio

BILL: Sub. H.B. 294 DATE: December 8, 1999
STATUS: As Passed by the House SPONSOR: Rep. Willamowski
LOCAL IMPACT STATEMENT REQUIRED: No — Permissive
CONTENTS: Modifies execution procedures for the recovery of certain court costs and authorizes clerks of courts to enter into contracts for the collection of amounts due

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1999	FY 2000	FUTURE YEARS
Counties and Municipalities			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	Potential negligible increase	Potential negligible increase	Potential negligible increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill authorizes a clerk of a court to enter into contracts with one or more public agencies or private vendors for the collection of amounts due under judgments for costs. This contracting out for collection services could result in increased revenue collections.
- The requirement of providing an itemized bill of costs as opposed to providing it only on demand could lead to a negligible increase in costs associated with execution proceedings.

Detailed Fiscal Analysis

The bill supplements existing law's execution procedure to recover court costs with a new certificate of judgment collection mechanism. Under certain circumstances, existing law permits the clerk of the court involved in a cause to commence special execution proceedings against either party to compel that party to pay that party's own court costs. Currently, a clerk of court can commence such execution procedures when the party recovering judgment in a cause has neglected to immediately commence execution proceedings on the judgment and when execution proceedings of that nature have



been undertaken but the execution does not result in the satisfaction of the taxed court costs. The clerk may commence execution proceedings for the clerk's own benefit or must commence execution proceedings if requested to do so by a person entitled to fees in the bill of costs taxed against either party. The bill provides that an entry of judgment that includes a grant of judgment for costs is an order that authorizes the clerk of the court to issue in a specified manner a certificate of judgment against the person who is liable for the payment of the court costs. The new provisions specify that the clerk must provide an itemized bill of fees and costs as opposed to current provisions that provide for such a bill only upon demand by the party who is responsible for payment.

The bill also authorizes the clerk of a court to enter into contracts with one or more public agencies or private vendors for the collection of amounts due under judgments for costs. The amounts to be collected may include any interest that is due on a judgment for the costs. Before entering into or renewing a contract, the clerk of a court must: (1) comply with the competitive bidding procedures set forth in the County Commissioners Law; (2) ensure that the prospective contract's terms include one or more provisions for oversight of the public agency's or private vendor's collection activities by both the clerk of the court and the legislative authority associated with the court; and (3) obtain the approval of the terms of the contract by the legislative authority associated with the court.

The provisions of this bill only affect court costs in civil causes of action. This bill does not affect state court costs that are associated with criminal causes of action. As such, the bill has no direct fiscal effect on the state. However, the bill is permissive in that clerks of courts may undertake such courses of action in regards to civil cases. This creates a potential fiscal impact on counties and municipalities. The changes in the provisions along with expenses related to the contracting with collecting vendors could potentially result in negligible increases in expenditures. However, it is unlikely that a clerk would undertake such a course of action unless measurable increases in revenues could be expected. This bill will allow clerks to contract out for the collection of certain court costs and thus potentially, increase the amount of court cost revenue collected annually. As the authority is permissive, it is extremely difficult to calculate the amount of additional annual, local revenue that might be gained and in which local jurisdiction.

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