

Local Fiscal Highlights

As a general introductory remark to the highlighted local fiscal effects detailed below, LSC fiscal staff offers the following observation. Because of the number of differences between mayor's courts, municipal courts, county courts, and affiliated local governments in Ohio, the absence of detailed revenue and expenditure data at hand, and the complexity of the state's rules for, and the actual practice of, handling revenues and expenditures, we cannot precisely describe each potentially affected municipal corporation, county, or township in detail and how the bill will specifically impact its revenues and expenditures. It is possible, however, to identify three distinct general scenarios and from those generalizations determine how revenues and expenditures may, or are likely to, be affected in some manner. The fiscal highlights of each scenario are noted independently of one another in the three tables and associated dot points immediately below.

Scenario 1 – Mayor's court abolished and replaced with community court

LOCAL GOVERNMENT	FY 2009 – FUTURE YEARS
Certain Municipal Corporations (those transitioning from mayor's to community court)	
Revenues	No apparent marked change in fines, fees, and court cost collections
Expenditures	Appears that certain municipal corporations could incur more than minimal transitional and ongoing operating expenses

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

- **Number of affected municipal corporations.** There are 195 municipal corporations located in 56 counties across Ohio that will face Scenario 1 as discussed immediately below.

- **Net fiscal effect.** The net fiscal effect of transitioning from a mayor's court to a community court would in all likelihood produce, at least in the short-term, an increase in operating expenses and no discernible difference in the annual amount of court-generated revenue. It seems likely that any given municipal corporation would likely fall into one of the following situational outcomes: (1) minimal transitional and ongoing operating expenses, (2) more than minimal transitional operating expenses, but no more than minimal ongoing operating expenses, and (3) more than minimal transitional and ongoing operating expenses. LSC fiscal staff does not have the necessary information readily at hand that would permit us to reliably estimate or predict which of the municipal corporation's electing to create a community will find itself in either situational outcome (1), (2), or (3). Additionally, we cannot quantify the magnitude of the transitional and ongoing operating expenses that such jurisdictions appear likely to incur.

Scenario 2 – Mayor's court abolished and not replaced with community court

LOCAL GOVERNMENT	FY 2009 – FUTURE YEARS
Certain Municipal Corporations (those not permitted to transition from mayor's to community court)	
Revenues	Factors adding and subtracting revenues, with potential for more than minimal annual loss
Expenditures	Likely annual decrease, potentially in excess of minimal in certain local areas
Certain Municipal and County Courts (those assuming jurisdiction from abolished mayor's court)	
Revenues	Gain in fine and related court revenue, likely to exceed minimal annually in certain local areas
Expenditures	Potential increase in annual operating costs, perhaps in excess of minimal in local areas having territorial jurisdiction over a relatively larger number of misdemeanor offense and traffic cases

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

- **Number of affected municipal corporations.** The municipal corporations that are facing Scenario 2 are summarized in Table 1, which is appended to the end of this document. There are 140 municipal corporations located in 55 counties across Ohio that will be required to abolish their mayor's court and not permitted to establish a community court.

- **Certain municipal corporations.** LSC fiscal staff is uncertain, in any given situation from the perspective of the municipal corporation required to abolish its mayor's court, whether the net effect of simultaneously losing and gaining various sources of revenue generates more or less revenue in the aggregate than might otherwise have been collected by that municipal corporation, or the annual magnitude of that net revenue gain or loss. The magnitude of the annual savings to a municipal corporation currently operating a mayor's court appears likely to be exceed minimal, particularly in an urban jurisdiction with a relatively large mix of misdemeanor offense and traffic cases. These also appears to be a potentially more significant expenditure effect in those municipal corporations where the amount of the annual revenue generated from its mayor's court is large enough to support related or other budgeted municipal operating expenses, for example, law enforcement.

- **Certain law enforcement effects.** It seems fairly clear on the basis of LSC fiscal staff's research to date and referenced above that, as a consequence of the abolition of its mayor's court, at a minimum, the municipal corporation's law enforcement activities could be negatively affected, but the potential magnitude of the effect is generally rather problematic to quantify. That said, however, in its discussions with various interested parties, LSC fiscal staff discerned that some municipal corporations were anticipating that the following statements would be true: (1) the magnitude of the operating expense reductions necessary to function within a more constrained budget will exceed minimal, and (2) the magnitude of the direct and indirect costs associated with law enforcement's travel to and from another municipal or county court will exceed minimal.

- **Certain other local governments.** In some areas of the state, the amount of revenue to be generated by certain municipal and county courts is likely to be relatively small. Conversely, in areas of the state where the number of misdemeanor offense and traffic cases moving from the territorial jurisdiction of one municipal corporation to the territorial jurisdiction of another municipal corporation or that of the county court, the annual magnitude of the additional revenue to be generated and shared with certain other municipal corporations could be quite significant, possibly well in excess of minimal. In some situations, the number of cases that would in effect be transferred from the jurisdiction of an abolished mayor's court to the appropriate municipal or county court may only be in the tens or hundreds. In this situation, one would

assume that the costs to that municipal or county court to process a relatively small number of additional cases would not be significant and might arguably generate little if any discernible cost. There are, however, areas of the state in which the number of cases, likely to be highly active urbanized jurisdictions, where the number of cases that would in effect be transferred from the jurisdiction of an abolished mayor's court to the appropriate municipal or county court may be in the thousands. One would think that such a caseload increase will carry some processing costs that, if quantifiable, could easily exceed minimal. What portion of that operating expense increase would be offset in some manner by the additional revenue likely to be generated is uncertain.

Scenario 3 – Creation of urban township community court

LOCAL GOVERNMENT	FY 2009 – FUTURE YEARS
Urban Home Rule Townships (those opting to create community court)	
Revenues	Potential gain of fine and related court revenues, likely to exceed minimal annually
Expenditures	Potential, likely more than minimal, annual increase in operating expenses
Certain Municipal Corporations and Counties (those losing jurisdiction to township community court)	
Revenues	Potential loss of fine and related court revenues, perhaps exceeding minimal annually
Expenditures	Potential decrease in annual operating expenses, perhaps exceeding minimal annually

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

- **Number of affected local governmental entities.** Scenario 3 appears to have the potential to affect, in some manner, 17 townships, 11 counties in which those townships are located, and around a dozen or so municipal or county courts.
- **Net township fiscal effect.** Presumably, if a township projects or subsequently realizes, that the operating expenses of a community court are not wholly offset by the revenues generated, then such a township would generally either not elect to create a community court, or if it elected to do so, opt to abolish the community court and in effect transfer its cases to the appropriate municipal or county court.
- **Net fiscal effect on affiliated municipal corporations and counties.** LSC fiscal staff cannot reliably estimate the magnitude of the revenue and expenditure effects that the creation of an urban township community court may generate for the county in which the township is located or any of the county's affiliated municipal corporations. Thus, whether the potential savings effect will more or less offset the lost revenue stream in any given situation is uncertain.

Detailed Fiscal Analysis

Fiscally notable provisions of the bill

For the purposes of this fiscal analysis, the bill most notably:

- Abolishes mayor's courts effective January 1, 2009.
- Authorizes a municipal corporation with a population over 1,600, Kelly's Island, Put-In-Bay, and urban townships that have adopted limited home rule to create a community court.
- Provides that a community court is a court of record and subject to the supervision of the Supreme Court of Ohio.
- Requires that all fine revenue collected by the municipal court clerk, other than in the counties of Hamilton, Lawrence, and Ottawa, on matters that would have been previously heard in a mayor's court prior to its abolishment be remitted back to the municipal corporation if it has a population greater than 200.
- Requires the municipal court clerk in the counties of Hamilton, Lawrence, and Ottawa to remit one-half of all fine revenue collected for violations of a municipal ordinance that would have previously been heard in a mayor's court prior to its abolishment to the municipal corporation if its population is 200 or more.
- Provides that the fines for violations of municipal ordinances in municipal corporations with a population of less than 200 will not be distributed to that municipal corporation.
- Reduces the salary of a part-time municipal court judge whose territory has a population of 50,000 or more to the same salary as other part-time judges of municipal courts.
- Elevates the status of the municipal court judges located in Miamisburg, Lyndhurst, and Chardon from part-time to full-time on January 1, 2009.

Local fiscal effects

Fiscal effect scenarios

Currently, Ohio has 900-plus municipal corporations, of which 335 located in 69 counties appear to be operating a mayor's court. The territorial population of these municipal corporations operating a mayor's court ranges from a low of 70 in Brice to a high of 43,858 in Strongsville. Relative to the total number of misdemeanor offense and traffic cases handled by those mayor's courts, in calendar year 2006, it ranged from a high of 9,066 in Reading to a low of 3 in Stratton.

The manner in which municipal, county, and mayor's courts in Ohio handle the distribution of court-collected revenues and apportion operating expenses is complicated, particularly as it relates to the distribution of fines collected by those courts. State law addresses

the issues generally, but also contains numerous exceptions and crediting provisions that arguably, in some cases, are not easily nor readily discerned. Another layer of complexity is introduced by the fact that different general criminal fine distribution rules apply as a function of: (1) the nature of the violation (whether the offender has been convicted of, or pleaded guilty to, violating a state law, municipal ordinance, or township resolution), (2) the arresting agency, and (3) the court with jurisdiction over the subject matter.

A further complication for the purposes of the analysis herein is that LSC fiscal staff does not have sufficient detailed revenue and expenditure information from the potentially affected municipal, county, and mayor's courts permitting one to more rigorously analyze and quantify the fiscal implications of abolishing mayor's courts, permitting certain municipal corporations and townships to elect to create a community court, and shifting certain offenses and traffic cases from the jurisdiction of certain municipal corporations to the jurisdiction of another municipal corporation or the county in which that municipal corporation is located.

What LSC fiscal staff is able to do at this time is to discuss these fiscal ramifications on certain municipal corporations and counties in somewhat broad qualitative terms. For example, revenues may be gained or lost, the magnitude of which may be well in excess of what might be termed minimal, and similarly, expenditures may increase or decrease, the magnitude of which may be well in excess of minimal. That said, in order to simplify the varying fiscal complexity that is likely to be triggered by the enactment of the bill, we have organized the affected jurisdictions and the detailed analysis that follows into one of the following three scenarios:

- (1) Municipal corporations required to abolish their existing mayor's court and permitted to create a community court.
- (2) Municipal corporations required to abolish their existing mayor's court and not permitted to create a community court.
- (3) Urban townships permitted to establish a community court.

Scenario 1 – Mayor's court abolished and replaced with community court

There are 195 municipal corporations located in 56 counties across Ohio that will face Scenario 1 as discussed immediately below.

Existing mayor's court law

Under existing law, subject to certain exceptions and special crediting provisions, a municipal corporation operating a mayor's court retains generally fines, fees, and costs collected from all proceedings and pays for the court's current operating expenses.

Replacement with community court

Revenues. It does not appear, in the case of a municipal corporation electing to replace its existing mayor's court with a community court, that the magnitude of the revenue generated annually by that community court would be markedly different from what would otherwise have been generated annually by the pre-existing mayor's court.

Expenditures. Presumably, a municipal corporation electing to replace its existing mayor's court with a community court will face certain transitional, and potentially ongoing, operating expenses, the magnitude of which will probably vary from place-to-place and LSC fiscal staff cannot estimate at this time.

Such expenses could include, but might not be limited to, the need to renovate or acquire, and then maintain, appropriate office space, comply with new docket and superintendence rules, and make changes as necessary to stationary, documents, and other signage. The bill also requires the municipal corporation to furnish the magistrate with an appropriate office. Additionally, it changes the court to a court of record and requires a shift from the docket rules governing a county court to those governing a municipal court.

After the transitional period, the ongoing operating expenses for a community court may be higher than the expenses associated with operating a mayor's court for some municipal corporations. A potentially more than minimal cost would occur for the salary associated with paying a magistrate. Under current practice, many municipal corporations apparently have a magistrate presiding over their mayor's court, but for a municipal corporation that does not and elects to create a community court, a magistrate will need to be hired and paid. The salary for a magistrate can vary widely, as can the manner in which they are compensated. Some magistrates are paid an hourly rate, others are paid per case, while some are compensated at a negotiated flat rate. This variety exists due to the varying levels of need (part-time/full-time).

Finally, unlike a mayor's court generally, a community court will operate under the authority of the Supreme Court. This may require a municipal corporation and related court personnel to expend additional time and effort, and purchase necessary items, for example, information technology hardware and software, in order to comply with the Supreme Court's rules and procedures.

Net fiscal effect. The net fiscal effect of transitioning from a mayor's court to a community court would in all likelihood produce, at least in the short-term, an increase in operating expenses and no discernible difference in the annual amount of court-generated revenue. It seems likely that any given municipal corporation would likely fall into one of the following situational outcomes: (1) minimal transitional and ongoing operating expenses, (2) more than minimal transitional operating expenses, but no more than minimal ongoing operating expenses, and (3) more than minimal transitional and ongoing operating expenses. LSC fiscal staff does not have the necessary information readily at hand that would permit us to reliably estimate or predict which of the municipal corporations electing to create a community will find itself in either situational outcome (1), (2), or (3). Additionally, we cannot quantify the magnitude of the transitional and ongoing operating expenses that such jurisdictions appear likely to incur.

Scenario 2 – Mayor's court abolished and not replaced with community court

The municipal corporations that are facing Scenario 2 are summarized in Table 1, which is appended to the end of this document. There are 140 municipal corporations located in 55 counties across Ohio that will be required to abolish their mayor's court and not permitted to establish a community court.

Existing Mayor's Court Law

As noted in Scenario 1 above, under existing law, subject to certain exceptions and special crediting provisions, a municipal corporation operating a mayor's court retains generally fines, fees, and costs collected from all proceedings and pays for the court's current operating expenses.

Municipal corporations not permitted to create replacement community court

Under the bill, certain municipal corporations will: (1) be required to abolish their mayor's court, and (2) not be eligible to create a community court. As a result, all of the misdemeanor offense and traffic cases that would otherwise have been heard by that mayor's court will come under the territorial jurisdiction of the appropriate municipal or county court located in the county in which the mayor's court is currently located.

Revenues. The bill requires that all fine revenue collected by the municipal courts on misdemeanor offense and traffic cases that would have previously been heard in a mayor's court, subject to certain exceptions and special provisions, be distributed back to that municipal corporation if it has a population of 200 or more. LSC fiscal staff is uncertain, in any given situation from the perspective of the municipal corporation required to abolish its mayor's court, whether the net effect of simultaneously losing and gaining various sources of revenue generates more or less revenue in the aggregate than might otherwise have been collected by that municipal corporation, or the annual magnitude of that net revenue gain or loss.

LSC fiscal staff is able to state, however, that municipal corporations with populations under 200 will see a reduction in revenues and court-related operating expenses. Under the bill, such a municipal corporation will not be able to collect any fine revenue that previously would have been received from the municipal, county, or mayor's court adjudicating the matter. This reduction may potentially have a significant fiscal impact on municipal corporations that generated a substantial amount of their revenue from the operation of their mayor's court.

Expenditures. As a result of being required to abolish its mayor's court and not being permitted to create a community court, then presumably the annual operating expenses associated with that mayor's court are eliminated. The magnitude of the annual savings to a municipal corporation currently operating a mayor's court appear likely to be exceed minimal, particularly in an urban jurisdiction with a relatively large mix of misdemeanor offense and traffic cases. These also appears to be a potentially more significant expenditure effect in those municipal corporations where the amount of the annual revenue generated by its mayor's court is large enough to support related or other budgeted municipal operating expenses, for example, law enforcement. If the revenue distributed back from the municipal court does not more or less fully replace the lost revenue, then presumably the municipal corporation will need to cut costs, tap other revenue generating mechanisms, or undertake some mix of cutting costs and revenue enhancements.

County court and municipal court revenues

As noted, it appears that certain municipal and county courts will gain revenues in the form of fines, fees, and court costs collected in misdemeanor offense and traffic cases that under current law would have been collected and generally retained by the municipal corporation that had established a mayor's court. In some areas of the state, the amount of revenue to be generated appears likely to be relatively small. Conversely, in areas of the state where the number of misdemeanor offense and traffic cases moving from the territorial jurisdiction of one municipal corporation to the territorial jurisdiction of another municipal corporation or that of the county court, the annual magnitude of the additional revenue to be generated and shared with certain other municipal corporations could be quite significant, possibly well in excess of minimal.

County court and municipal court expenditures

The bill will cause certain offenses and traffic cases that would otherwise have been handled by a mayor's court to most likely be shifted into the territorial jurisdiction of an existing municipal or county court located within the county in which the mayor's court is currently located. Based on LSC fiscal staff's preliminary analysis of calendar year 2006 caseload data reported by the Supreme Court, it appears that, if the bill had been in effect at that time, approximately 54,000 misdemeanor offense and traffic cases statewide would have been handled by a municipal or county court instead of a mayor's court.

In some situations, the number of cases that would in effect be transferred from the jurisdiction of an abolished mayor's court to the appropriate municipal or county court may only be in the tens or hundreds. In this situation, one would assume that the costs to that municipal or county court to process a relatively small number of additional cases would not be significant and might arguably generate little if any discernible costs.

There are, however, areas of the state, likely to be highly active urbanized jurisdictions, in which the number of cases that would in effect be transferred from the jurisdiction of an abolished mayor's court to the appropriate municipal or county court may be in the thousands. One would think that such a caseload increase will carry some processing costs, that, if quantifiable could exceed easily minimal. What portion of that operating expense increase would be offset in some manner by the additional revenue likely to be generated is uncertain.

Potential law enforcement effects

It seems fairly clear on the basis of LSC fiscal staff's research to date that, as a consequence of the abolition of its mayor's court, at a minimum, the municipal corporation's law enforcement activities could be negatively affected. We have identified at least two ways in which this potential negative fiscal effect may manifest itself.

First, the additional revenue municipal corporations are able to collect through the operation of a mayor's court may support a larger law enforcement department than arguably might typically otherwise exist. This suggests that, in order to operate within a more constrained budgetary environment, some municipal corporations could be forced to reduce their law enforcement expenditures, including cutting payroll costs.

Second, a mayor's court appears to typically be situated in or near a community center. This location makes travel to and from the courthouse easy for both citizens and law enforcement personnel. If the municipal or county court that would be handling that municipal corporation's cases is located at some distance from the community currently being served by the mayor's court, then potential costs, for example, transportation expenses, are incurred in relation to law enforcement personnel that would be required to attend and possibly testify in contested cases. Travel expenses include increasing mileage on vehicles, fuel costs, and an officer's salary while in transit and then waiting to testify.

Quantifying the potential fiscal impact of these factors on a municipal corporation's law enforcement expenses is rather problematic. That said, however, in its discussions with various interested parties, LSC fiscal staff discerned that some municipal corporations were anticipating that the following statements would be true: (1) the magnitude of the operating expense reductions necessary to function within a more constrained budget will exceed minimal, and (2) the magnitude of the direct and indirect costs associated with law enforcement's travel to and from another municipal or county court will exceed minimal.

Scenario 3 – Creation of urban township community court

Existing law

In the matter of a criminal or traffic violation committed within the territorial jurisdiction of a township generally: (1) if the violation is charged under state law, the fines generally are collected and distributed to the county in which the court with jurisdiction over the matter is located, (2) if the violation is charged under state law and the arresting agency is the Ohio State Highway Patrol, then fines are divided between the state, the county in which the violation occurred, and the county or municipal corporation in which the court is located, and (3) if the violation involves a township resolution, then the fines appear to be divided evenly between the township whose resolution was violated and the county in which the violation occurred. Any related fees and court costs collected are generally retained by the court or local jurisdiction in which the court is located.

Election to create urban township community court

Township revenues. Under the bill, certain "urban" townships will be permitted to create a community court, draft their own resolutions concerning some criminal and traffic laws, and handle violations of the latter in the former. Presumably, this means that the affected township would: (1) directly collect more in fine revenues that would otherwise have been received from another court with jurisdiction over such matters, and (2) generate new moneys in terms of fees and costs that the court would be permitted to assess. Whether the additional revenues for such a township would exceed minimal annually, and if so, by how much is uncertain.

Township expenditures. It is certainly the case that a township electing to create a community court will face certain transitional and ongoing operating expenses, the magnitude of which will vary from place-to-place and that LSC fiscal staff cannot estimate at this time. These expenses are likely to include, but may not necessarily be limited to, capital improvements to situate the court, ongoing building operating expenses, purchasing and maintaining necessary equipment and furnishings, and payroll expenses. Although LSC fiscal staff cannot precisely

estimate the transitional and ongoing operating expenses that any given township might incur, it seems probable that these expenses would exceed minimal.

Net township fiscal effect. Presumably, if a township projects, or subsequently realizes, that the operating expenses of a community court are not wholly offset by the revenues generated, then such a township would generally either not elect to create a community court, or if it elected to do so, opt to abolish the community court and in effect transfer its cases to the appropriate municipal or county court.

County and municipal court revenue and expenditure effects

If, as a result of the bill, an urban township elects to create a community court, then it seems highly probable other local governmental entities would experience fiscal effects: generally the county in which the township is located, the municipal or county court in that county that would otherwise have handled certain criminal and traffic offenses, and the jurisdiction in whose territory the municipal or county court is located.

Those potential fiscal effects are likely to be twofold. First, from a revenue perspective, fines, fees, and court costs that would have otherwise been collected and retained on certain matters will be collected and retained by the township electing to create a community court. Second, from an expenditure perspective, if certain cases are transferred from the subject matter jurisdiction of a municipal or county court, then such a court presumably realizes some reduction in its caseload and a potential savings effect is created.

LSC fiscal staff cannot reliably estimate the magnitude of the revenue and expenditure effects that the creation of an urban township community court may generate for the county in which the township is located or any of the county's affiliated municipal corporations. Thus, whether the potential savings effect will more or less offset the lost revenue stream in any given situation is uncertain.

Local jurisdictions potentially affected by creation of urban township community court

Table 2 immediately below identifies Ohio's townships that have adopted limited home rule in Ohio, the county in which that township is located, and the municipal or county court that appears likely to be affected if that township were to elect to create a community court.

**Table 2
Limited Home Rule Townships**

Township	County	Potentially Affected Court
Anderson Township	Hamilton	Hamilton County Municipal Court
Delhi Township	Hamilton	Hamilton County Municipal Court
Springfield Township	Hamilton	Hamilton County Municipal Court
Sycamore Township	Hamilton	Hamilton County Municipal Court
Batavia Township	Clermont	Clermont County Municipal Court
Miami Township	Clermont	Clermont County Municipal Court
Union Township	Clermont	Clermont County Municipal Court
Deerfield Township	Warren	Mason Municipal Court
Washington Township	Montgomery	Kettering Municipal Court
Jackson Township	Stark	Massillon Municipal Court
Perry Township	Stark	Massillon Municipal Court
Plain Township	Stark	Canton Municipal Court
Boardman Township	Mahoning	Mahoning Municipal Court
Sylvania Township	Lucas	Sylvania Municipal Court
Fairfield Township	Butler	Butler County Court
Liberty Township	Butler	Butler County Court
West Chester Township	Butler	Butler County Court
Howland Township	Trumbull	Warren Municipal Court/Niles Municipal Court
Prairie Township	Franklin	Franklin County Municipal Court
Violet Township	Fairfield	Fairfield County Municipal Court

General revenue distribution and operating expense rules

While recognizing that the rules applicable in Ohio's courts can be subject to exceptions and special provisions, this fiscal analysis builds from the following general assumptions relative to the handling of revenues collected by, and expenditures incurred by municipal, county, and mayor's courts:

- Fines collected for violations of municipal ordinances generally must be paid into the treasury of the city or village whose ordinance was violated.
- Fines collected for violations of the Revised Code generally must be paid into the treasury of the county in which the trial court is located.
- Forty-five percent of the fines collected from citations issued by the Ohio State Highway Patrol must be paid into the state treasury, with the balance being divided between the county in which the violation occurred and the governmental entity responsible for funding the court in which the case was filed.
- Fines collected for the violation of municipal ordinances in certain courts, for example, the Hamilton, Ottawa, and Lawrence county municipal courts, are divided evenly between the county treasury and the municipal corporation that filed the case.

- Fines collected for violations of township resolutions adopted pursuant to Township Optional Limited Self-Government Law generally must be divided between the county and the township whose resolution is violated.
- Costs and fees collected by courts generally are retained by the court or local jurisdiction in which the court is located.
- Current operating expenses of a municipal court are generally paid by the municipal corporation or county in which the court is located and under certain circumstances are apportioned among all of the municipal corporations that are within the territory of the court.
- The county within which the court is located pays current operating expenses of a county operated municipal court.
- Under the bill, municipal corporations with a population of less than 200 will not receive any fine revenue for violations under their municipal ordinances from municipal courts. Currently these municipal corporations receive 100% of this revenue or 50% in the counties of Hamilton, Ottawa, and Lawrence.

Detailed examination of fine revenue distribution and municipal court operating expenses

There are three different fine revenue distribution and court operating cost allocation models permitted under Ohio law. The bill's impact on any given municipal corporation that operates its own court, as well as any other municipal corporation that falls under that court's territorial jurisdiction, will depend upon the county or municipal court's operating model. Without data regarding revenue and expenditures from any of the affected municipal corporations, we are left to discuss the movement and changes regarding cost, fee, and fine revenues in rather broad qualitative terms rather than more precise quantitative terms. The discussion of these three models that follows should be viewed as a more detailed analysis of how the revenue will be distributed based on our previously described Scenarios 1, 2, and 3.

Model 1: County operated municipal courts and county courts

LSC fiscal staff has identified 40 counties and affiliated county-operated municipal courts and county courts that would fall under our Model 1. Those counties and the designated name of their affiliated court are summarized in Table 3, below. It should also be noted that Hamilton, Lawrence, and Ottawa are also county operated municipal courts, but are a special case examined below in Model 2.

**Table 3
County Courts and Certain County-Operated Municipal Courts in Ohio***

County	Designation	County	Designation
Adams	County Court	Mahoning	County Court
Ashtabula	County Court	Meigs	County Court
Auglaize	Municipal Court	Miami	Municipal Court
Belmont	County Court	Monroe	County Court
Brown	Municipal Court	Montgomery	County Court
Butler	County Court	Morgan	County Court
Carroll	Municipal Court	Morrow	Municipal Court
Clermont	Municipal Court	Muskingum	County Court
Columbiana	Municipal Court	Noble	County Court
Crawford	Municipal Court	Paulding	County Court
Darke	Municipal Court	Perry	County Court
Erie	County Court	Pike	County Court
Fulton	County Court	Portage	Municipal Court
Harrison	County Court	Putnam	County Court
Highland	County Court	Sandusky	County Court
Hocking	Municipal Court	Trumbull	County Court
Holmes	Municipal Court	Tuscarawas	County Court
Jackson	Municipal Court	Vinton	County Court
Jefferson	County Court	Warren	County Court
Madison	Municipal Court	Wayne	Municipal Court

* Does not include municipal courts operated by Hamilton, Lawrence, and Ottawa counties.

Current law

- The county is responsible for paying 100% of the municipal or county court's operating expenses.
- In these counties, all fine revenue collected by the county operated municipal court or county court for violations of municipal ordinances is redistributed back to the municipal corporation whose ordinance was violated.

Impact of Sub. H.B. 154

- Municipal corporations with a population of 200 or more will see no reduction in fine revenue collection, whether the municipal corporation chooses to operate a community court or not, though those municipal corporations that do not operate a community court will see a reduction in court cost revenue collected.
- Fine revenue collected by municipal and county courts on behalf of municipal corporations with a population under 200 will not be distributed back to those jurisdictions but will instead be retained by the court. As such, municipal

corporations with a population under 200 will lose all fine revenue and court cost revenue currently collected by their mayor's courts and any fine revenue currently being collected on their behalf by the municipal or county court.

Model 2: County operated municipal courts of Hamilton, Ottawa, and Lawrence counties

Current law

- As stated above, under existing law, in "county operated municipal courts," the county pays all costs associated with the court's operating expenses.
- In Hamilton, Ottawa, and Lawrence counties, 50% of the fine revenue collected by the county operated municipal court for violations of municipal ordinances is redistributed back to the municipal corporation whose ordinance was violated.

Impact of Sub. H.B. 154

- Municipal corporations who choose to operate a community court will not see any reductions in the fine or court cost revenue collected relative to the amounts that would otherwise have been collected under current law and practice.
- Municipal corporations with a population of 200 or more but less than 1,600 whose mayor's courts are abolished will see a reduction in fine revenue previously collected by their mayor's court of 50% and an elimination of any revenue collected from court costs.
- Fine revenue collected by the county operated municipal court on behalf of municipal corporations with a population of less than 200 will not be distributed back to those jurisdictions but will instead be retained by the court. As such, municipal corporations with a population of less than 200 will lose all fine revenue and court cost revenue currently collected by their mayor's courts and any fine revenue currently being collected on their behalf by the county operated municipal court.

Model 3: Noncounty operated municipal courts (the majority of municipal courts in Ohio)

Current law

- The operating costs of the municipal court are apportioned among the municipal corporations that are part of the court's territorial jurisdiction based on each municipal corporation's portion of the court's total annual caseload. This apportionment of operating costs is not permitted to exceed the fine revenue distributed back to the municipal corporation.
- In these counties, all fine revenue collected by the municipal courts for violations of municipal ordinances or township resolutions is redistributed back to the municipal corporation whose ordinance was violated.
- Generally, the fine revenue is less than the apportioned share of a municipal court's operating expenses, so the municipal corporation is likely to see little to no fine money from violations of municipal ordinances heard in the municipal court.

Impact of Sub. H.B. 154

- The bill does not change the apportionment formula for these municipal courts. However, it does exempt from the caseload calculation any cases that would have previously been heard in a mayor's court, subject to certain restrictions. Additionally, it restricts the definition of fine revenue distribution to omit any revenue distributed back to a municipal corporation for a violation of a municipal ordinance that would have been heard in a mayor's court, subject to certain restrictions.
- The net impact of the exemptions noted in the immediately preceding dot point is that the proportional share the municipal court is able to collect from municipal corporations under its jurisdiction will remain unchanged.
- The net fine revenue impact of these changes on municipal corporations with a population of 200 or more is that they will not be subject to any reduction in fine revenue that they would previously have received from their mayor's court, though they will not receive any court costs they previously collected.
- Fine revenue collected by municipal courts on behalf of a municipal corporation with a population of less than 200 will not be distributed back to those jurisdictions but will instead be retained by the court. As such, municipal corporations with a population of less than 200 will lose all fine revenue and court cost revenue currently collected by their mayor's courts and any fine revenue above their proportional share previously collected by the municipal court.
- The impact of these changes on the municipal court will require them to process additional cases, those previously heard in a mayor's court, without the ability to recoup any additional costs associated with these cases. The net result of these changes is that the operating costs of these municipal courts will increase and the municipal corporation where the court is located will be required to cover the additional expense.

State fiscal effects

Compensation of municipal court judges

Relative to the compensation of municipal court judges, the bill: (1) places all part-time judges in the same lower salary category, and (2) elevates the status of the judges serving on the municipal courts located in Chardon, Lyndhurst, and Miamisburg from part-time to full-time.

Part-time municipal court judges. Under current law, certain part-time municipal court judges, specifically those whose territory has a population of 50,000 or more, receive the same salary as full-time municipal court judges rather than the lower salary received by part-time municipal court judges generally. For 2008, the salaries of full-time and part-time municipal court judges are \$114,100 and \$65,650, respectively, with state and local shares determined by statute.

Table 4 immediately below displays the municipal court judges designated by the Revised Code as being part-time and the size of each respective judge's territorial population according to the 2006 Ohio Courts Summary. Three of those part-time judges, noted in bold type, are currently receiving the same salary as a full-time municipal court judge. The bill

elevates the status of those judges to full-time, and as a result, ensures that each continues to receive the higher salary provided under current law. Additionally, in the future, a part-time municipal court judge that might have been entitled to receive the same salary as a full-time municipal court judge based on having a territorial population of 50,000 or more would no longer qualify for the higher salary. Presumably, this result creates a potential savings effect for the state and the affected local jurisdiction, but LSC fiscal staff cannot reliably predict if, when, nor where such a situation could occur.

Table 4
Territorial Population of Municipal Courts with Part-Time Judge

Municipal Court	Population
Avon Lake	32,540
Bellevue	12,174
Chardon	90,895
Franklin	26,219
Hardin County	31,945
Hillsboro	31,937
Huron	10,530
Lawrence County	37,370
Lyndhurst	59,619
Mason	47,531
Miamisburg	67,241
Oakwood	9,215
Shelby	19,328
Struthers	35,484
Vermilion	19,857

Supreme Court of Ohio

As a result of the transition from mayor's courts to community courts in Ohio, the Supreme Court will likely incur more than minimal one-time and ongoing expenses in relation to their responsibility to essentially monitor and oversee the operations of local courts of record.

Though mayor's courts and their magistrates are not currently subject to Supreme Court supervision, it appears that many such jurisdictions are already following to varying degrees the rules and procedures that are likely applicable to a community court.

As a court of record and under the supervision of the Supreme Court, the magistrate of a community court may be mandated to meet additional education requirements. Many magistrates already participate in mayor's court training sessions independent of similar offerings of the Court's Judicial College. It is expected that, if these courses were to be conducted under the auspices of the Supreme Court, that the Judicial College will not need additional personnel.

It should also be noted that mayor's courts are already subject to some Supreme Court case data reporting requirements, and though it is expected these requirements may change for

community courts, any change in said reporting is not expected to cause significant increased costs for the Court.

Attorney General

The bill permits the Attorney General to bring an action in the appropriate court of common pleas to enjoin a mayor, municipal corporation, or other person from operating a mayor's court or community court that is not authorized by the Revised Code. LSC fiscal staff assumes that such parties will generally comply with state law and the need for the Attorney General to investigate and litigate such matters will be relatively infrequent. Presumably, the threat of formal legal action would cause many, if not all, alleged violators to cease and desist in order to avoid the time and expense of taking the matter to trial. Assuming this were true suggests to LSC fiscal staff that the magnitude of the Attorney General's operating expenses in relation to exercising this permissive authority would generally be at most minimal in any given year.

LSC fiscal staff: Matthew L. Stiffler, Budget Analyst

HB0154HR/rh

Table 1 immediately below lists the following details associated with certain municipal corporations required to abolish their mayor's courts and not being permitted to create a community court: the affected municipal corporation (including its territorial population), the mayor's court caseload, the respective county, and the municipal or county court likely to assume territorial jurisdiction over the misdemeanor offense and traffic cases of the abolished mayor's court.

Table 1
Details of Locations Where Mayor's Courts Abolished
and Not Replaced with Community Court

Mayor's Court Location	County	Municipal Population	Mayor's Court Total Caseload	Court Likely to Take Jurisdiction of Mayor's Court Cases
Seaman	Adams	1,039	328	Adams County Court
Winchester	Adams	1,025	91	Adams County Court
Cairo	Allen	499	103	Allen County Court
Hayesville	Ashland	348	32	Ashland Municipal Court
Mifflin	Ashland	144	80	Ashland Municipal Court
Perrysville*	Ashland	816	0	Ashland Municipal Court
Andover	Ashtabula	1,269	85	Ashtabula Municipal Court
Geneva on the Lake	Ashtabula	1,545	384	Ashtabula Municipal Court
Albany	Athens	808	64	Athens Municipal Court
Amesville	Athens	184	11	Athens Municipal Court
Buchtel	Athens	574	313	Athens Municipal Court
Chauncey*	Athens	1,067	54	Athens Municipal Court
Coolville*	Athens	528	29	Athens Municipal Court
Jacksonville	Athens	544	76	Athens Municipal Court
Trimble	Athens	466	36	Athens Municipal Court
New Knoxville	Auglaize	891	47	Auglaize Municipal Court
Belmont	Belmont	532	34	Belmont Municipal Court
Bethesda	Belmont	1,413	167	Belmont Municipal Court
Brookside	Belmont	644	12	Belmont Municipal Court
Fayetteville	Brown	372	686	Brown County Municipal Court
Higginsport	Brown	291	174	Brown County Municipal Court
Russellville	Brown	453	414	Brown County Municipal Court
Sardinia	Brown	862	154	Brown County Municipal Court
Seven Mile	Butler	678	89	Butler County Court
North Lewisburg	Champaign	1,588	140	Champaign County Municipal Court
Catawba	Clark	312	57	Clark County Municipal Court
Donnelsville	Clark	293	81	Clark County Municipal Court

Table 1 continued

Mayor's Court Location	County	Municipal Population	Mayor's Court Total Caseload	Court Likely to Take Jurisdiction of Mayor's Court Cases
Tremont	Clark	349	357	Clark County Municipal Court
North Hampton	Clark	370	1,480	Clark County Municipal Court
Felicity	Clermont	922	279	Clermont County Municipal Court
Owensville	Clermont	816	504	Clermont County Municipal Court
Newtonsville*	Clermont	492	17	Clermont County Municipal Court
Martinsville	Clinton	440	11	Clinton County Municipal Court
Hanoverton	Columbiana	387	279	Columbiana County Municipal Court
Rogers	Columbiana	266	190	Columbiana County Municipal Court
Salineville	Columbiana	1,397	612	Columbiana County Municipal Court
Summitville	Columbiana	108	36	Columbiana County Municipal Court
Washingtonville	Columbiana	789	359	Columbiana County Municipal Court
New Waterford	Columbiana	1,391	224	Columbiana County Municipal Court
Bratenahl	Cuyahoga	1,337	3,237	Cleveland Municipal Court
Brooklyn Heights	Cuyahoga	1,558	810	Parma Municipal Court
Cuyahoga Heights	Cuyahoga	599	354	Garfield Heights Municipal Court
Glenwillow	Cuyahoga	449	565	Bedford Municipal Court
Linndale	Cuyahoga	117	5,013	Parma Municipal Court
Woodmere	Cuyahoga	828	1,567	Bedford Municipal Court
North Randall	Cuyahoga	906	1,486	Bedford Municipal Court
Sherwood	Defiance	801	4	Defiance Municipal Court
Shawnee Hills	Delaware	419	319	Defiance Municipal Court
Milan	Erie	1,445	1,002	Erie Municipal Court
Carroll	Fairfield	488	91	Fairfield County Municipal Court
Lithopolis	Fairfield	600	306	Fairfield County Municipal Court
Sugar Grove	Fairfield	448	49	Fairfield County Municipal Court
Brice	Franklin	70	324	Franklin County Municipal Court
Harrisburg	Franklin	332	146	Franklin County Municipal Court
Marble Cliff	Franklin	646	369	Franklin County Municipal Court
Minera Park	Franklin	1,288	982	Franklin County Municipal Court
Valleyview	Franklin	601	518	Franklin County Municipal Court
Rio Grande	Gallia	915	49	Gallipolis Municipal Court
Senecaville	Guernsey	453	184	Cambridge Municipal Court
Addyston	Hamilton	1,010	1,520	Hamilton County Municipal Court
Arlington Heights	Hamilton	899	3,724	Hamilton County Municipal Court
Lynchburg	Highland	1,350	200	Hillsboro Municipal Court

Table 1 continued

Mayor's Court Location	County	Municipal Population	Mayor's Court Total Caseload	Court Likely to Take Jurisdiction of Mayor's Court Cases
Mowrystown	Highland	373	80	Hillsboro Municipal Court
Laurelville	Hocking	533	125	Hocking County Municipal Court
Murray City	Hocking	452	322	Hocking County Municipal Court
Coalton	Jackson	545	101	Jackson County Municipal Court
Bergholz	Jefferson	769	94	Jefferson County Court
Dillonvale	Jefferson	781	65	Jefferson County Court
Empire	Jefferson	300	538	Jefferson County Court
Stratton	Jefferson	277	3	Jefferson County Court
New Alexandria	Jefferson	222	16	Jefferson County Court
Grand River	Lake	345	328	Lake County Court
Perry	Lake	1,195	295	Painesville MC
Chesapeake	Lawrence	842	873	Lawrence County Court
Hanging Rock	Lawrence	279	1,906	Lawrence County Court
Proctorville	Lawrence	620	428	Lawrence County Court
Alexandria	Licking	85	785	Licking County Municipal Court
Hartford	Licking	412	88	Licking County Municipal Court
Kirkersville	Licking	520	387	Licking County Municipal Court
St. Louisville	Licking	346	395	Licking County Municipal Court
Berkey	Lucas	265	386	Sylvania Municipal Court
Lowellville	Mahoning	1,281	179	Mahoning County Court
Westfield Center	Medina	1,054	57	Wadsworth Municipal Court
Racine	Meigs	746	33	Meigs County Court
Rutland*	Meigs	401	0	Meigs County Court
Syracuse	Meigs	879	81	Meigs County Court
Rockford	Mercer	1,126	203	Celina Municipal Court
Fletcher	Miami	510	39	Miami County Court
Phillipsburg	Montgomery	628	132	Montgomery County Court
Malta	Morgan	696	155	Morgan County Court
Edison	Morrow	437	254	Morrow County Municipal Court
Dresden	Muskingum	1,423	73	Muskingum County Court
Frazeytsburg	Muskingum	1,201	129	Muskingum County Court
Payne	Paulding	1,166	41	Paulding County Court
Oakwood	Paulding	607	41	Paulding County Court
Corning	Perry	593	26	Perry County Court
Shawnee	Perry	608	6	Circleville Municipal Court

Table 1 continued

Mayor's Court Location	County	Municipal Population	Mayor's Court Total Caseload	Court Likely to Take Jurisdiction of Mayor's Court Cases
Somerset	Perry	1,549	224	Circleville Municipal Court
Thornville	Perry	731	252	Circleville Municipal Court
New Straitsville	Perry	774	52	Circleville Municipal Court
Commercial Point	Pickaway	776	106	Pickaway County Court
South Bloomfield	Pickaway	1,179	978	Pickaway County Court
New Holland	Pickaway	785	20	Pickaway County Court
Beaver*	Pike	464	0	Pike County Court
Gratis	Preble	934	317	Eaton Municipal Court
West Elkton	Preble	194	60	Eaton Municipal Court
Butler	Richland	921	92	Mansfield Municipal Court/ Shelby Municipal Court
Lucas	Richland	620	9	Richland County Court
Shiloh	Richland	721	7	Richland County Court
Bettsville	Seneca	784	246	Seneca County Court
Bloomville	Seneca	1,045	138	Seneca County Court
Green Springs	Seneca	1,247	55	Seneca County Court
Anna	Shelby	1,319	120	Sidney Municipal Court
Jackson Center	Shelby	1,369	105	Sidney Municipal Court
Port Jefferson	Shelby	321	238	Sidney Municipal Court
Russia	Shelby	551		Sidney Municipal Court
East Sparta	Stark	806	53	Stark County Court
Waynesburg	Stark	1,003	292	Stark County Court
Boston Heights	Summit	1,186	5,285	Cuyahoga Falls Municipal Court
Peninsula	Summit	602	760	Cuyahoga Falls Municipal Court
Midvale	Tuscarawas	547	76	Tuscarawas County Court
Port Washington	Tuscarawas	552	153	Tuscarawas County Court
Harveysburg	Warren	563	281	Warren County Court
Maineville	Warren	885	192	Warren County Court
Morrow	Warren	1,286	274	Warren County Court
Beverly	Washington	1,282	0	Marietta Municipal Court
Matamoras	Washington	957	238	Marietta Municipal Court
Marshallville	Wayne	826	132	Wayne County Municipal Court
Mount Eaton	Wayne	246	698	Wayne County Municipal Court
Shreve	Wayne	1,582	105	Wayne County Municipal Court
Smithville	Wayne	1,333	403	Wayne County Municipal Court

Table 1 continued

Mayor's Court Location	County	Municipal Population	Mayor's Court Total Caseload	Court Likely to Take Jurisdiction of Mayor's Court Cases
West Salem	Wayne	1,501	202	Wayne County Municipal Court
Bairdstown*	Wood	130	0	Wood County Court
Bloomdale	Wood	724	36	Wood County Court
Bradner	Wood	1,171	137	Wood County Court
Haskins	Wood	638	115	Wood County Court
Portage	Wood	428	1,250	Wood County Court
Rising Sun	Wood	620	123	Wood County Court
Wayne	Wood	842	87	Wood County Court
West Millgrove	Wood	78	327	Wood Court Court

* Incomplete data reporting for 2006.