

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **S.B. 3** DATE: **March 16, 2007**

STATUS: **As Introduced** SPONSOR: **Sen. Faber**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **To provide that the privilege of holding a position of honor, trust, or profit that is forfeited by reason of conviction of a felony is not restored on completion of a prison term, period of community control sanctions, or pardon or release by the Adult Parole Authority; and to provide that the office holder will forfeit the portion of any state retirement benefit that is based on employer contributions**

State Fiscal Highlights

STATE FUND	FY 2007	FY 2008	FUTURE YEARS
Retirement Systems and Alternative Pension Plans – PERS, SERS, STRS, OP&F, SHPRS			
Revenues	- 0 -	Potential minimal savings	Potential minimal savings
Expenditures	- 0 -	Potential minimal savings	Potential minimal savings

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

- The bill has no direct fiscal effect on the state.
- The bill authorizes the state retirement systems to forfeit all rights to any retirement benefits, disability benefits, or any other benefits, if a member pleads guilty to or is convicted of a felony crime committed while engaged in the performance of duties related to public employment. The forfeited benefits would reduce the systems' liability, thus creating minimal savings to the retirement systems or plans.
- The bill may also increase the systems' administrative expenses slightly.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase
Other Local Governments			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal 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 requires a prosecutor of a felony case who has knowledge that an individual charged is alleged to have committed the felony while holding an elective office of the state or any political subdivision to notify the individual's retirement system. This provision may increase the counties and other local governments' administrative expenses slightly.
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Detailed Fiscal Analysis

The bill proposes that anyone holding an elective office of the state or any political subdivision who is a member of one of the state's five retirement systems—Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), School Employees Retirement System (SERS), Ohio Police and Fire Pension Fund (OP&F), and State Highway Patrol Retirement System (SHPRS)—and pleads guilty to or is convicted of a felony crime committed while holding an elective office of the state or any political subdivision shall forfeit to the retirement system all rights to any retirement benefits, disability benefits, or any other benefits earned by reason of being a member of the retirement system.

The bill also requires a prosecutor of a felony case who has knowledge that an individual charged is alleged to have committed a felony while holding an elective office of the state or any political subdivision to notify the individual's retirement system. Upon receipt of the notice, the board is prohibited from making any payment of any benefit or accumulated contributions under the law governing the particular retirement system prior to the final disposition of the felony charge. Under the bill, any suspended payment cannot resume unless the charge is dismissed or the member is found not guilty or not guilty by reason of insanity.

However, the bill allows a reinstatement of the forfeited rights and privileges to the person convicted of an offense at the end of his or her entire prison term, a final release by the Adult Parole Authority, or after a completion of the period of a community control sanction or combination of community control sanctions imposed by the sentencing court. However, the restoration of the rights and privileges does not extend to the privilege of holding an elective office of the state or any political subdivision.

The provisions in the bill have no direct fiscal impact to the state, but may have a minimal impact to local governments. The bill requires a prosecutor of a felony case to inform the member's retirement system board, thus it may increase administrative costs. However, any increase should be minimal.

Furthermore, the bill may have minimal fiscal impacts to the retirement systems. The forfeited benefits would reduce the systems' or plans' liabilities, thus creating minimal savings to the retirement systems or plans. In addition, the provisions in the bill may also increase the systems' and plans' administrative expenses slightly.

