Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL:	**Sub. S.B. 370**	DATE:	**December 15, 2008**
STATUS:	**As Passed by the Senate**	SPONSOR:	**Sen. Seitz**
LOCAL IMPACT STATEMENT REQUIRED:	**No — No local cost**		
CONTENTS:	**Asbestos bankruptcy trust procedures**		

State and Local Fiscal Highlights

- It does not appear that the bill will have any direct fiscal effect on the revenues or expenditures of either the state or any of its political subdivisions.

Detailed Fiscal Analysis

Overview

Asbestos bankruptcy trusts are created by companies that are facing significant asbestos related tort liabilities. For many such companies the amount of liability they face overwhelms their economic viability, and they are forced into bankruptcy. As part of the bankruptcy, these companies turn over large sums of cash to asbestos trusts that in turn process and pay claims made against the trust for damages resulting from asbestos exposure.

Under current law, it is possible for an injured party to seek recovery in a tort action in the civil court system. That party also may seek simultaneous recovery by submitting a claim for damages from an asbestos bankruptcy trust. The bill requires the injured party, under these circumstances, to submit to the court an accounting of each of the claimant's existing asbestos bankruptcy trust claims so the court and/or jury is aware of all the asbestos related claims made by the particular injured party.

State and local fiscal effects

The bill does not appear to limit the ability of any party, claiming asbestos related injury, to seek recovery in the civil court system. Thus, the bill is likely to have no direct impact on the number of asbestos related actions filed in any given court. When a claim is filed with an asbestos bankruptcy trust, the local courts are not involved at any level. The claims are processed and paid entirely by the trust. While the bill may increase the flow of information between the bankruptcy trusts and the courts, it does not appear that there will be any direct fiscal effect on the revenues or expenditures of either the state or any of its local political subdivisions.

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