



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 427 of the 128th G.A.

**Date:** April 6, 2010

**Status:** As Introduced

**Sponsor:** Reps. Schneider and Sykes

**Local Impact Statement Procedure Required:** No — Minimal cost

**Contents:** Class action payments

### State Fiscal Highlights

- It does not appear the bill will have a fiscal impact on any of the revenues or expenditures of the state.

### Local Fiscal Highlights

#### LOCAL GOVERNMENT

#### FY 2010 – FUTURE YEARS

#### Courts of Common Pleas

Revenues

- 0 -

Expenditures

Potential increase in administrative expenditures, unlikely to exceed minimal

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

- **Courts of common pleas expenditures.** If, as assumed herein, the number of class actions that have unpaid moneys remaining after a settlement agreement or judgment is relatively small, then administrative costs incurred by a court as a result of the bill are likely to be minimal at most. A minimal local expense is estimated at less than \$5,000 for any affected jurisdiction per year.

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## Detailed Fiscal Analysis

### Overview

For the purposes of this fiscal analysis, the bill most notably requires that in a class action lawsuit, all unpaid moneys remaining after the distribution to members of the class be used for charitable purposes.

### Local fiscal effects

In preparing this fiscal analysis, LSC fiscal staff spoke with members of the Judicial Conference's Civil Law and Procedure Committee as well as representatives of the Conference itself. Based on those discussions, it does not appear that the issue of unpaid moneys remaining after a class action settlement agreement or judgment arises often. On one rare occasion where unpaid moneys remained, a local judge relayed that the court opted to distribute the remaining moneys on a percentage basis to all members of the class. That same judge also noted that most class actions are filed in federal courts, and therefore outside the scope of requirements in state law.

### Local court expenditures

The bill provides that all unpaid moneys remaining after distribution in a class action settlement or judgment be distributed to charities, nonprofit organizations, and charitable programs. This provision could conceivably create more administrative work for courts of common pleas personnel, who would be tasked with choosing a recipient of the unpaid moneys<sup>1</sup> and then distributing the unpaid moneys to that entity. However, as the number of occasions when unpaid moneys do in fact remain after a class action settlement agreement or judgment is relatively small, any additional administrative costs incurred by the court are likely to be minimal at most.

### State fiscal effects

It does not appear that the bill will have a fiscal impact on any of the revenues or expenditures of the state.

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<sup>1</sup> It is possible that the court could solicit and receive a list of potential charities from the involved parties or that the parties themselves could select a charity to receive the unpaid moneys.