Ohio Legislative Service Commission

Terry Steele

Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 208 of the 129th G.A. **Date**: March 28, 2012

Status: As Reported by House Judiciary & Ethics **Sponsor**: Sens. Obhof and Kearney

Local Impact Statement Procedure Required: No

Contents: Makes various revisions to Ohio's Uniform Commercial Code

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill makes numerous revisions that pertain to secured transactions governed by requirements in the Uniform Commercial Code (UCC). Secured transactions are generally those under which a debtor agrees by contract to provide a lender some form of collateral as financial protection in case of default by the debtor. The LSC bill analysis provides a detailed explanation of these changes. In addition, the bill specifies that the Joint Legislative Ethics Committee is the committee responsible for matters relating to public members appointed to the Ohio Constitutional Modernization Commission. Overall, the bill does not appear to directly affect revenues or expenditures of the state or its political subdivisions.

The Business Services Division within the Secretary of State's Office is responsible for collecting and maintaining UCC filings for Ohio businesses. The Division consists of 150 employees and handles approximately 400,000 UCC filings each year. The Division is funded through UCC filings fees deposited into the Corporate and Uniform Commercial Code Filing Fund (Fund 5990). The fund collects approximately $14.0 million in filing fee revenue each fiscal year. Overall, the provisions of the bill would not appear to affect the number of overall filings made in a year. However, it should be noted that one provision requires a debtor's name to appear on certain forms exactly as it appears on that individual's driver's license. Consequently, this may result in the need for some forms to be re-filed if the name on the form does not match the name displayed on the person's driver's license when the Business Services Division cross checks this information. Should the bill result in additional filings, the additional cost would be offset by additional filing fee income. Initial financing statements and corrections to financing statements filed with the Secretary of State's Office each have a filing fee of $12.

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