Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 274 of the 130th G.A. **Date**: December 10, 2014

Status: As Reported by House Commerce, Labor, and Technology **Sponsor**: Sen. Hughes

Local Impact Statement Procedure Required: No

Contents: Makes changes to towing laws and regulations

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The cost of any additional work performed by clerks of courts of common pleas may be offset by the revenue collected from the issuing of vehicle titles.

Detailed Fiscal Analysis

Certificate of title. Under current law, repair garages and places of storage are permitted to file an affidavit with a clerk of court of common pleas to receive a certificate of title for a vehicle valued at less than $2,500 that has been left unclaimed for more than 30 days. The bill adds towing services and storage facilities to the list of types of companies that can obtain a certificate of title for an unclaimed vehicle after 60 days. The bill also increases the value of the vehicle for which a certificate of title may be obtained to $3,500. These changes may increase the workload for clerks of court, as they may have to issue certificates of title for additional vehicles that could be declared unclaimed.

Current law requires the owner of a repair garage or place of storage to pay the clerk of court, for deposit into the county general fund, the value of the motor vehicle for which the certificate of title is requested, less any expenses the owner may have incurred. The bill expands this requirement to include the owner of a towing service and storage facility. The cost of any additional work for a clerk will likely be offset by the revenue received for the value of the motor vehicle.

Civil action. The bill permits the owner of a vehicle that was towed in violation of the bill to file a civil action against the towing service or storage facility. It also specifies that the court can award $1,000 or $2,500, depending on whether there were prior violations. Assuming that towing services will generally comply with the bill's provisions, the number of violations and subsequent civil actions filed will likely be relatively small and absorbed utilizing a given court's existing resources. Such matters will fall under the subject matter jurisdiction of common pleas, municipal, and county courts.

The bill also specifies that an owner of a vehicle with a valid certificate of title cannot obtain damages in a civil action against a scrap metal dealer who is deemed to have a valid title but that was in fact improperly issued, unlawfully obtained, or falsified. This provision will have no discernible fiscal impact on courts with jurisdiction over such matters.

Storage facility hours of operation. The bill makes changes to the hours of operation for storage facilities and requires that the owner of the facility, or a representative, be accessible by phone at any time for the vehicle owner or lienholder to retrieve their vehicle. The result may be an increase in costs for governmental storage facilities to remain open additional hours and to be accessible for vehicle retrieval at any time. The possibility of charging an after-hour vehicle retrieval fee will likely offset at least some of those costs.

Public Utilities Commission. The Public Utilities Commission may incur additional one-time costs to adopt rules establishing safety standards for towing services and an after-hours retrieval fee. Any additional costs are likely to be absorbed utilizing existing resources.

Other provisions. The bill makes several other changes to motor vehicle towing requirements and procedures, which primarily affect private towing and salvage companies and do not have any fiscal impact on governmental entities.

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