



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 4, 2014
Status: As Reported by Senate State Government Oversight & Reform **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

- Clerks of courts of common pleas may experience an increase in expenditures related to increased workload that will be offset by a gain in revenues related to the increase in the number of vehicles that could be declared unclaimed.

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 and 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 under the bill.

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. As such, any increase in costs that a county may incur to issue additional certificates of title under the bill will be at least partially 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 and specifies that the court can award \$1,000 or \$2,500, depending on whether there were prior violations. Given the maximum amount that can be awarded to the plaintiff, the civil action would likely be filed in a county or municipal court, but may also be filed in a court of common pleas. 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.

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 impact on adjudicating courts.

Storage facility hours of operation. The bill makes changes to the hours of operation for storage facilities and states that the owner of the facility, or a representative, must be accessible by phone at any time for the vehicle owner or lienholder to retrieve their vehicle. Presumably, the storage facility would be able to charge an afterhours retrieval fee, as the bill requires the Public Utilities Commission to adopt rules establishing an after hour vehicle retrieval fee. This provision may result in an increase in costs for governmental storage facilities to remain open additional hours and to be accessible for vehicle retrieval at any time. Any costs incurred by governmental storage facilities to comply with the bill's requirements may be at least partially offset by the after hour vehicle retrieval fee.

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.