Fiscal Note & Local Impact Statement

125 th General Assembly of Ohio

Ohio Legislative Service Commission
77 South High Street, 9th Floor, Columbus, OH 43215-6136 ✧ Phone: (614) 466-3615
✧ *Internet Web Site:* http://www.lsc.state.oh.us/

BILL: **Sub. H.B. 49** DATE: **December 3, 2003**

STATUS: **As Enacted – Effective April 6, 2004** SPONSOR: **Rep. Hughes**

LOCAL IMPACT STATEMENT REQUIRED: **Yes** **Local cost in As Introduced version; current version appears to create, at most, no more than minimal costs for most local jurisdictions**

CONTENTS: **Permits a board of county commissioners to enter into an agreement of affiliation with a citizens' reward program and requires the imposition of one dollar in additional court costs to assist in the funding of affiliated citizens' reward programs**

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2004	FY 2005	FUTURE YEARS
Certain Counties and Municipalities			
Revenues	Potential gain in the tens of thousands of dollars for jurisdictions with citizens' reward program affiliations	Potential gain in the tens of thousands of dollars for jurisdictions with citizens' reward program affiliations	Potential annual gain in the tens of thousands of dollars for jurisdictions with citizens' reward program affiliations
Expenditures	Potential increase commensurate with revenue gain plus potential one-time increase in court administrative costs that could exceed minimal in some jurisdictions	Potential increase commensurate with revenue gain plus potential increase in court administrative costs, not likely to exceed minimal in most jurisdictions	Potential annual increase commensurate with revenue gain plus potential increase in court administrative costs, not likely to exceed minimal annually in most jurisdictions

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

- ***Citizens' reward program revenues.*** Predicting the size of the potential revenue stream from a $1 additional court cost is very difficult because the bill does not require every county to enter into an agreement of affiliation with a citizens' reward program, it simply permits a board of county commissioners to enter into such an agreement. That said, in counties in which the board of county commissioners opts to affiliate with a citizens' reward program, it seems reasonable to assume that the amount of revenue that will be collected annually by that county and its municipalities would be in tens of thousands of dollars. All of

these funds would be transmitted monthly by clerks of courts to the citizens' reward program that is affiliated with a given county.

- ***County and municipal expenditures.*** The one-time local computer reprogramming and ongoing administrative costs for counties and municipalities appear unlikely to exceed minimal, which means an estimated cost of no more than $5,000 for any affected political subdivision. It should be noted that, in the case of municipalities, these local costs would be imposed as the direct result of an action taken by the board of county commissioners exercising its permissive authority under the bill and not as a direct result of an action taken by the municipality itself.

Detailed Fiscal Analysis

Provisions of the bill

The bill principally: (1) permits a board of county commissioners to enter into an agreement of affiliation with a citizens' reward program, and (2) requires the imposition of $1 in additional court costs to assist in the funding of affiliated citizens' reward programs.

Local fiscal effects

Local revenues

Court costs. If a board of county commissioners approves an agreement of affiliation with a citizens' reward program, the bill requires that $1 be added to the court costs paid by offenders that plead guilty to or are convicted of any offense other than a traffic offense. This additional $1 would be collected only by the county, municipal, and common pleas courts in those counties that have entered into a formal agreement of affiliation with a citizens' reward program. In those counties where such an affiliation is entered into, the clerk of the court would transmit the revenues collected monthly to the citizens' reward program to be used exclusively for the payment of rewards. No part of these funds may be used to pay for the administrative expenses or any other expenses associated with the citizens' reward program.

Predicting the size of this potential revenue stream is very difficult because the bill does not require every county to enter into an agreement of affiliation with a citizens' reward program, it simply permits a board of county commissioners to enter into such an agreement. That said, in counties in which the board of county commissioners opts to affiliate with a citizens' reward program, it seems reasonable to assume that the amount of revenue that will be collected by that county and its municipalities would be in tens of thousands of dollars.

Currently, about 16 or so citizens' reward programs in Ohio have affiliations with local governments, as identified in Table 1 below. It should also be noted that, since the revenues that would be collected under the terms of the bill can only be used for the payment of rewards and not for any administrative expenses or other costs, there would not appear to be any financial incentive created that would encourage the rapid growth of new affiliations between boards of county commissioners and citizens' reward programs.

Table 1 ***Location of Ohio Crime Stoppers Programs***	
Allen County (Lima)	Findlay/Hancock County
Athens County	Henry County
Central Ohio	Licking County
Greater Cincinnati	Montgomery County
Cuyahoga County	Scioto County
Defiance County	Shelby County
Darke County	Van Wert County
Fayette County	Greater Youngstown

Local expenditures

One-time cost: computer reprogramming. Conversations between LSC fiscal staff and various interested parties have indicated that the software utilized by municipal, county, and common pleas courts will have to be modified in order for each court to separately track the collection of the additional $1 so that the appropriate amount of revenue is transmitted monthly to the county's affiliated citizens' reward program. More specifically, it appears that the physical record structure in the computer systems of these courts would need to be changed to add a new data column so that the additional $1 can be tracked and accounted for separately.

The software firm of Henschen and Associates, located in Bowling Green, Ohio, does the programming for about 56 municipal and county courts around the state of Ohio. Henschen and Associates is the largest vendor for these services. According to Henschen and Associates, such a reprogramming task, involving the redesign of the record and reporting function, would require on-site visits to every court that handles traffic and other criminal cases. While the estimated cost is about $1,000 per court, the total statewide, one-time local expenditure for the reprogramming services of Henschen and Associates would be very difficult to estimate given that one does not know how many counties will enter into affiliated agreements as described by the bill.

Legislative Service Commission fiscal staff also contacted other similar computer programming vendors contracting with a large number of courts in Ohio. These other computer programming vendors indicated that the programming changes in question could be performed over modems at a substantially lower cost. Still the basic estimation problem exists in that one does not know how many of Ohio's 88 counties will affiliate with a citizens' reward program.

That said, it appears that the one-time cost associated with the modification of any given municipal, county, or common pleas court's software appears unlikely to exceed minimal, which means an estimated cost of no more than $5,000 for any affected political subdivision.

Ongoing local administrative burden. One would think that, once the structure for collecting and transmitting the additional $1 has been established, the expense associated with its ongoing administration would constitute no more than a minimal annual expense for local clerks of courts.

Local cost summary. The one-time local computer reprogramming and ongoing administrative costs for counties and municipalities appear unlikely to exceed minimal. It should

be noted that, in the case of municipalities, these local costs would be imposed as the direct result of an action taken by the board of county commissioners exercising its permissive authority under the bill and not as a direct result of an action taken by the municipality itself.

State fiscal effects

The bill does not appear to carry any direct fiscal effect for state revenues and expenditures.

LSC fiscal staff: Joseph Rogers, Budget Analyst

HB0049EN.doc/lb