



OHIO LEGISLATIVE SERVICE COMMISSION

Robert Meeker

Fiscal Note & Local Impact Statement

Bill: H.B. 615 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. West

Local Impact Statement Procedure Required: No

Subject: Notification of debt obligation

State & Local Fiscal Highlights

- The costs for the Office of the Attorney General's Consumer Protection Section to investigate and enforce civil violations are likely to be minimal at most annually and potentially offset to some degree by the collection of civil penalties credited to the Consumer Protection Enforcement Fund (Fund 6310).
- The number of violations for common pleas courts to adjudicate is likely to be relatively small with any additional costs minimal at most annually. Revenue in the form of court costs, fees, and civil penalties may offset those costs to some degree.
- The Attorney General and common pleas courts should be able to absorb the work and related costs noted above utilizing existing personnel and appropriated resources.

Detailed Fiscal Analysis

The bill requires a creditor having a claim against a decedent's estate and attempting to collect on the claim from an individual not obligated to pay the debt, rather than from the estate, to reasonably inform the individuals that the individual is not obligated to pay the debt. The bill subjects the creditor who fails to do so to any of the civil remedies available to the Attorney General under R.C. 1345.07 (Ohio Consumer Sales Practices Law).

Under current law, the civil remedies available to the Attorney General include bringing any of the following: (1) an action to obtain a declaratory judgment, (2) an action to obtain a temporary restraining order, preliminary injunction, or permanent injunction to restrain the act or practice, and (3) a class action on behalf of consumers. Depending upon the nature of the violation, the court is permitted to impose a civil penalty of up to between \$5,000 and \$25,000. Pursuant to current law, the civil penalties will be distributed as follows: three-fourths, or 75%, to the state's Fund 6310 and one-fourth, or 25%, to the treasury of the county where the Attorney General's action is brought. The timing and magnitude of this potential revenue stream is uncertain.

The number of civil violations requiring investigation and enforcement by the Attorney General's Consumer Protection Section, and subsequent adjudication by a court of common pleas is expected to be relatively small in the context of their workloads. In 2017, the Consumer Protection Section of the Attorney General's Office opened 220 civil investigations; initiated 42 lawsuits for various unfair, deceptive, or unconscionable business practices; and obtained 49 judgments totaling more than \$32 million in consumer restitution, civil penalties, costs, and other relief. In the same year, over 170,000 new cases were filed in the courts of common pleas. This suggests that both the Attorney General and courts of common pleas can absorb any additional work and related costs created by the bill utilizing existing personnel and appropriated resources.