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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 380
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 380's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Cross and Sweeney

Local Impact Statement Procedure Required: Yes

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Highlights

- Municipal and county courts and courts of common pleas could incur additional costs if the bill leads to more civil cases where contractors sue the owner of a construction project for failing to make prompt payment for services and materials. Any new cost could be at least partially offset by court costs imposed on the losing party.
- Although some costs could be imposed on losing parties, courts may still bear some of the increased costs under circumstances where the case is complex or lengthy. This may be particularly applicable to common pleas courts that oversee civil actions in excess of \$15,000.

Detailed Analysis

The bill makes changes to Ohio's Prompt Pay Act, possibly resulting in additional caseloads for municipal and county courts and courts of common pleas. As a result, costs for courts to process and hear additional cases are likely to increase under the bill. Any increase in costs would depend on the number and nature of additional cases the courts would handle. In the case of litigation that is complex, increased costs could be significant, particularly so for common pleas courts because they generally oversee more complex civil actions in excess of \$15,000. Although increased costs could be at least partially offset by court costs assessed upon the losing party of the case, in the case of complex litigation, the courts may still bear some increased costs overall.

Municipal and county courts and courts of common pleas may incur additional caseloads because the bill allows a contractor that has not received payment from the owner of a construction project to bring a civil action to recover payment if the owner has not paid the contractor within 65 days of receiving a written request for payment from the contractor. Specifically, the bill requires the owner of a construction project that has received a written

request to make payment within 35 days after receiving the request. If the owner fails to pay within 35 days, the bill allows the amount due to accrue 18% annual interest. The bill allows the contractor to file the civil action to recover the amount due, interest, and attorney fees if an additional 30 days elapse after the 35-day payment deadline.