



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 249 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Rep. Duffey

**Local Impact Statement Procedure Required:** No

**Subject:** To permit the Public Utilities Commission to adopt rules governing residential utility reselling

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### State Fiscal Highlights

- The bill may minimally increase the Public Utilities Commission of Ohio's (PUCO) administrative costs. Because PUCO is given discretion over the decision to issue rules under the bill, costs to PUCO would be permissive. Any increase in such costs likely would be paid from the Public Utilities Fund (Fund 5F60).
- If the PUCO does issue rules governing residential utility reselling, they must include provisions governing enforcement of the rules and penalties for violating them. Any such penalties that may be assessed by the PUCO would help defray the administrative costs.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

### Detailed Fiscal Analysis

The bill allows the PUCO to adopt rules governing residential utility reselling by not later than one year after the effective date of this bill.<sup>1</sup> If the PUCO does not adopt such rules, the practice of residential utility reselling would be prohibited in Ohio after that year.

The bill specifies various provisions that must be included in the PUCO's rules, including penalties for violating the rules. The bill requires the PUCO's rules to allow a proprietor that practices residential utility reselling to charge an occupant an amount for utility service that is based on a ratio or formula. The bill provides that such a ratio or formula may be based on the number of occupants, square footage, or other similar factors. The bill also specifies that the PUCO's rules must prohibit a proprietor that uses a ratio or formula from charging in the aggregate, for all occupants who receive utility

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<sup>1</sup> The bill defines "residential utility reselling" as any situation in which a proprietor charges an occupant an amount for utility service that is a distinct charge, separate from the standard monthly charge such as rent or the condominium-association fee. A "proprietor" includes a landlord, park operator, unit owners association, or the agent of a landlord, park operator, or unit owners association.

service through a single master meter, more than the total bill that the proprietor received for that master meter.

The bill does not prevent a proprietor from purchasing a component of utility service through a competitive provider at a rate that is different than the rate for that component under the utility provider's standard service offer. The bill does not limit the authority of the PUCO, a municipality, or another local jurisdiction from prohibiting or limiting the practice of residential utility reselling in Ohio. The bill applies to electric, natural gas, water, and sewage disposal services.

### **Fiscal effect**

The bill may minimally increase the PUCO's administrative costs. If the PUCO does adopt rules under the bill, they must include provisions related to enforcement and penalties for violations. Any new duties for the PUCO under the bill, perhaps involving its role in enforcing the rules, are not specified in the bill itself and would be permissive for the PUCO.

Any increase in costs likely would be paid from appropriation item 870622, Utility and Railroad Regulation, which draws on the Public Utilities Fund (Fund 5F60).<sup>2</sup> The bill does not specify the fund that would receive any revenue from penalties that may be assessed by the PUCO due to rule violations, but any resulting revenue would likely help defray the administrative costs.

The bill has no direct fiscal effect on political subdivisions.

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<sup>2</sup> Fund 5F60 receives funding from an assessment on the utilities regulated by the PUCO. The amount of the assessment is based on the amounts appropriated by the General Assembly for line items drawing on Fund 5F60. More details can be found in the Catalog of Budget Line Items (COBLI), an LSC publication that can be found on the LSC website.