



OHIO LEGISLATIVE SERVICE COMMISSION

Robert Meeker

Fiscal Note & Local Impact Statement

Bill: H.B. 215 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Riedel

Local Impact Statement Procedure Required: Yes

Subject: Creates the Paulding County Municipal Court

State Fiscal Highlights

STATE FUND

FY 2019 – FUTURE YEARS

General Revenue Fund (GRF)

Revenues

- 0 -

Expenditures

Annual increase estimated at \$38,429

Note: The state fiscal year is July 1 through June 30. For example, FY 2019 is July 1, 2018 – June 30, 2019.

Note: Based on the judicial compensation schedule in H.B. 64 of the 131st General Assembly.

- Beginning January 2019, the creation of a full-time municipal court judgeship will increase the amount of GRF funding that the Supreme Court of Ohio disburses in the form of state support for a judgeship by \$38,429 annually.

Local Fiscal Highlights

LOCAL GOVERNMENT

CY 2019 – FUTURE YEARS

Paulding County

Revenues

Potential annual gain from prosecutorial agreements

Expenditures

Annual increase estimated at \$45,844 or more

Municipalities within Paulding County

Revenues

- 0 -

Expenditures

Potential annual prosecutorial savings effect

Note: For most local governments, including Paulding County, the fiscal year is the calendar year.

- Beginning January 2019, the creation of a full-time municipal court judgeship will increase judicial compensation-related expenditures for Paulding County by an estimated \$31,093 or more annually.
- Beginning January 2019, the Clerk of the Paulding County Court of Common Pleas will assume the duties of the clerk for the Paulding County Municipal Court resulting in an increase in compensation and related benefits paid by the county estimated at \$14,751 annually.

- Paulding County may incur minimal one-time expenses in the first year to make administrative changes as a result of the name change for the court (e.g., letterhead, signage, and other localized products).
- Paulding County is not expected to add staff, offices, or courtroom space to change from a county court to a municipal court.
- The bill requires the Paulding County Prosecuting Attorney to prosecute all violations of state law in the Paulding County Municipal Court. It is expected that this increased caseload should not require additional staff. The magnitude of any resulting annual savings effect for municipal prosecutors that would likely see their caseloads decrease is uncertain.
- The bill permits the Paulding County Prosecuting Attorney to enter into an agreement (including a fee) with any municipal corporation in Paulding County to prosecute nonstate law violations. Whether the affected local prosecuting attorneys will make such agreements is uncertain. Thus, any changes in annual revenues and expenditures that might result from such arrangements for Paulding County and its municipal corporations are uncertain as well.

Detailed Fiscal Analysis

Creation of Paulding County Municipal Court and judgeship

Effective January 1, 2019, the bill eliminates the Paulding County County Court, eliminates the part-time judgeship in that court, establishes the Paulding County Municipal Court, and establishes one full-time judgeship in the Paulding County Municipal Court. The resulting increases in judicial compensation-related costs are described in more detail below.

Judicial compensation-related costs

Base salary

County court judgeship. The state and Paulding County currently incur expenses to support a part-time county court judgeship. The annual salary for a part-time county court judge is statutorily set at \$79,900 for calendar year (CY) 2019, and consists of a local and state share determined by statute as follows:

- The *local share* is \$35,500 per year.
- The *state share* is equal to the annual salary minus the local share, or \$44,400 annually.

Municipal court judgeship. The annual salary of a full-time municipal court judge is statutorily set at \$138,850 in CY 2019, and consists of a local and state share determined by statute as follows:

- The *local share* is \$61,750 per year.
- The *state share* is equal to the annual salary minus the local share, or \$77,100 annually.

To summarize, the result of replacing a part-time county court judgeship with a full-time municipal court judgeship in terms of the state and local shares of their base salaries is as follows:

- The state's share of base pay increases by \$32,700, from \$44,400 per year to \$77,100 per year.
- Paulding County's share of the base annual salary will increase by \$26,250, from \$35,500 per year to \$61,750 per year.

Retirement

State and local elected officials are exempt from membership in the Public Employees Retirement System (PERS), unless they choose to become members. As most elected officials do accept membership in PERS, this analysis includes PERS payments.

The state and Paulding County contribute at the rate of 14% of their share amounts, respectively. Under that PERS contribution formula, Paulding County will expend an additional \$3,675 annually, while the state will expend an additional \$4,578 annually.

Payroll-related charges

The state and Paulding County also pay for other payroll-related charges, as detailed below.

The state pays for a total of 3.52% in payroll-related charges as follows: 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.10% for workers' compensation, 0.30% for the Department of Administrative Services' payroll services, 0.27% for Office of Budget and Management services, 0.01% to the Equal Employment Opportunity Commission, 0.69% for Office of Information Technology services, 0.46% to the Ohio Administrative Knowledge System, and 0.24% for group life insurance. These miscellaneous annual contributions will increase state expenses by \$1,151 annually.

Paulding County pays 1.45% of gross salary for Medicare, and 3.0% for workers' compensation. The increase of these miscellaneous contributions will cost the county an additional \$1,168 annually, plus a potential increase in county-paid health insurance costs.

Other costs

Paulding County may incur minimal one-time expenses in the first year to make administrative changes as a result of the name change for the court (e.g., letterhead, signage, and other localized products). Paulding County is not expected to add staff, offices, or courtroom space as a result of the bill.

Clerk of courts

The Clerk of the Court of Paulding County will assume the role of the clerk of the Paulding County Municipal Court. By assuming these duties, the clerk is statutorily entitled to additional compensation equal to $\frac{1}{4}$ the rate set forth under continuing law.

This increase, before benefits are calculated, brings the base salary to \$62,266 annually from \$49,813, an increase of \$12,453. The total additional annual cost to Paulding County, including retirement, workers' compensation, and Medicare, is estimated at \$14,751.

The replacement of the existing county court with a municipal court is not expected to result in any staffing changes or related operating expenses.

Local prosecuting attorneys

Violations of state law

Under current law, municipal prosecutors prosecute violations of state law in the Paulding County County Court. The bill requires the Paulding County Prosecuting Attorney to prosecute all violations of state law in the Paulding County Municipal Court. This means that the volume of cases prosecuted by the county prosecutor will increase, but the likely magnitude of that increase is unknown. It is expected that this increased caseload can be absorbed and not require the hiring of additional staff. The magnitude of any resulting annual savings effect for municipal prosecutors that would likely see their caseloads decrease is uncertain.

Violations other than state law

The bill permits the Paulding County Prosecuting Attorney to enter into an agreement with any municipal corporation in Paulding County by which the Prosecuting Attorney prosecutes all cases brought in the Paulding County Municipal Court for violations of the municipal corporation's ordinances or for offenses other than violations of state law occurring within the municipal corporation. For prosecuting these cases under such an agreement, the Prosecuting Attorney is permitted to agree upon a fee to be paid by the municipal corporation.

Whether the affected local prosecuting attorneys will make such agreements is uncertain. Thus, any changes in annual revenues and expenditures that might result from such arrangements for Paulding County and its municipal corporations are uncertain as well.