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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 263  
133<sup>rd</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 263's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. Koehler

**Local Impact Statement Procedure Required:** No

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### Highlights

- The likely annual increase in work, operating costs, and revenue generated for any given state licensing authority is indeterminate. For certain state licensing authorities, it is likely that the costs can be absorbed utilizing existing staff and appropriated resources, or offset to some degree by the collection of additional application and licensure revenue.
- The annual cost of performing the Bureau of Criminal Identification and Investigation's criminal records check activities and services will increase to some degree, and may be more or less offset by the fees charged to conduct a criminal records check.
- The bill has no direct fiscal effect on the state's political subdivisions.

### Detailed Analysis

#### State licensing authorities

The bill generally prohibits any state licensing authority from refusing to issue an initial license to an individual based solely on being charged with or convicted of a criminal offense or a nonspecific qualification such as "moral turpitude" or lack of "moral character." The bill does however permit a state licensing authority to refuse licensure if the offense is directly related to the duties and responsibilities of the licensed occupation. Within 180 days of the bill's effective date, state licensing authorities are required: (1) to adopt a list of specific criminal offenses for which a conviction, judicial finding of guilt, or guilty plea may disqualify an individual from obtaining licensure, (2) to establish an administrative hearing process for an applicant who is denied an initial license because of a specific disqualifying offense, and (3) to adopt any rules determined necessary to implement the bill. The look-back period for a disqualifying offense that is not an offense of violence or a sexually oriented offense generally is limited to five years.

The bill's provisions affect over 230 professions and occupations for which a license issued or conferred by a state licensing authority is required. Each state licensing authority will incur one-time costs to develop, adopt, and implement necessary rules and processes. Additional persons will become eligible to be licensed for certain professions and occupations and subsequently apply to the applicable state licensing authority. As a result, application and licensure revenue will be generated, with denials resulting in some increase in administrative hearings. The likely annual increase in work, operating costs, and revenue generated for any given state licensing authority is indeterminate. That said, it is possible that, for many of the affected state licensing authorities, the increased work and costs can be absorbed utilizing existing staff and appropriated resources, or that the associated costs are offset to some degree by the additional revenue gained.

## **Criminal records checks**

The bill will affect the workload of the Bureau of Criminal Identification and Investigation (BCII) by: (1) changing the scope of the criminal records checks that are conducted for certain licensed occupations, and (2) increasing the likely number of criminal records checks requested each year. While the associated increase in BCII's annual operating expenses is not readily quantifiable, it is possible that the cost increase will be more or less offset by the fees charged to conduct a criminal records check.

BCII performs state-only background checks by comparing an individual's fingerprints against a database of criminal fingerprints to determine if there is a criminal record. If requested or required, BCII also administers FBI background checks, which use a national database to search for criminal history records. Who pays for a background check varies; sometimes the employer pays and sometimes the individual who is the subject of the background check pays. Licensing entities may include the price of the background check as part of the licensure process. The base fees of the state-only and FBI background checks are \$22 and \$24, respectively. The \$22 state-only background check fee and \$2 of the \$24 FBI background check fee are deposited into the state treasury to the credit of the Attorney General's General Reimbursement Fund (Fund 1060). The remaining \$22 of the FBI background check fee is sent to the FBI.