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H.B. 150
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Upchurch and A. Miller

Local Impact Statement Procedure Required: No

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Highlights

- LBO estimates the number of new charges filed with the Ohio Civil Rights Commission involving allegations of source of income discrimination at around 80 annually (2% of total charges filed with the Commission). However, the number of new filings may be less, as a single charge can involve discrimination on multiple bases.
- It is unclear if the Commission can absorb the costs associated with the number of new charges anticipated before additional funding would be needed to hire new investigators/mediators.
- Unlike the majority of housing charges investigated by the Commission for which it receives money under a work-sharing agreement with the U.S. Department of Housing and Urban Development (HUD), no federal reimbursement funding would be received for investigating charges alleging discrimination based on lawful source of income.
- Courts of common pleas would likely be able to absorb any additional civil actions filed alleging housing discrimination with little, if any, discernible effect on their daily cost of operations.

Detailed Analysis

The bill adds to the housing discrimination provisions of the Ohio Civil Rights Law to prohibit landlords from taking certain actions based on a tenant's or prospective tenant's "lawful source of income." Under the bill, lawful source of income includes benefits and subsidy programs such as housing assistance, housing vouchers, and other specified forms of assistance.

For comparative purposes, LBO reviewed data on source of income discrimination from the New York State Division of Human Rights. In the state of New York, of the 4,865 charges filed

in FY 2021-2022, around 2% (96) involved discrimination on this basis. Applying this rate to the 4,091 total charges the Ohio Civil Rights Commission received in FY 2022 suggests that up to 80 new charges may be filed annually.¹ However, because a single charge can allege discrimination on multiple bases rather than one factor, e.g., race **and** source of income, the actual number of new cases may be less.

Ohio Civil Rights Commission

In FY 2022, nearly 20% (666) of the total 3,449 cases closed by the Ohio Civil Rights Commission involved housing. Typically, the number of completed cases averages around 90 cases per investigator each fiscal year. The Commission does not have the option to refuse to investigate a charge. It is unclear as to how many new filings resulting from the bill that the Commission can process to closure within the statutory timelines at their current staffing level without funding to hire additional investigators/mediators. The Commission estimates the annual cost of one full-time equivalent investigative staff person at \$80,000, inclusive of benefits.

Unlike the majority of housing charges investigated by the Commission for which it receives money under a work-sharing agreement with the U.S. Department of Housing and Urban Development (HUD), no federal funding would be received for investigating charges alleging discrimination based on lawful source of income. This is because lawful source of income is not a protected class under Title VIII of the federal Fair Housing Act of 1968. Typically, the federal funding received from HUD is used to offset investigation costs. However, these reimbursement payments do cover the full cost of processing the cases. The remainder of the cost must be absorbed by GRF funds. Because of incurring nonreimbursable expenses potentially under the bill, pressure will be put on the Commission's GRF funding.

Courts of common pleas

In addition to or instead of filing a claim with the Commission, the aggrieved person may file a civil action in the appropriate court of common pleas. However, for all types of discrimination including housing, the filing of a civil action is more often the exception rather than the rule. Presumably, the resolution of discriminatory practices based on lawful source of income would follow a similar path, the filing of a charge with the Commission as opposed to the filing of a civil action in court. The Commission will attempt to resolve the complaint through mediation first. This suggests that the bill is unlikely to generate a significant number of new civil filings for any given court of common pleas to adjudicate. A court should be able to absorb any additional civil action filings into its caseload with little, if any, discernible effect on daily operations and related costs.

¹ New York FY 2021-2022 (April 1, 2021 – March 31, 2022); Ohio FY 2022 (July 1, 2021 – June 30, 2022).