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Contact Information:

Office Phone: 614-466-8258
Email:
Rep30@ohiohouse.gov

**Majority Floor Leader Bill Seitz
Ohio's 30th House District**

**Minority Whip Jessica Miranda
Ohio's 28th House District**

February 17th, 2023

Sponsor Testimony for House Bill 35: Eliminate limitations period for certain sexual abuse claims made in bankruptcy settlement cases

Chairman Hillyer, Vice Chair Mathews, Ranking Member Galonski, and members of the House Civil Justice Committee, it is my pleasure to present sponsor testimony on HB 35, also commonly known as the Scout's Honor bill. I am happy to be joined by my joint sponsor, Representative Miranda. This bill is essentially a reintroduction of our bill from last session that passed the House virtually unanimously, only to not cross the finish line in the Senate.

HB 35 will enable Ohio-based claimants against the bankruptcy estate of the Boy Scouts of America to recover 100% of their entitlement as opposed to the 30-45% share that they are slated to get if the Ohio statute of limitations on civil claims for such damages is not extended. HB 35 is a very narrowly crafted bill that allows those Ohioans who claim to have been sexually abused by persons affiliated with the Boy Scouts to obtain the maximum relief available under a very novel settlement fund created as part of the bankruptcy proceedings in which the Boy Scouts declared bankruptcy. The bill only applies to voluntary settlements that a bankrupt entity has reached with its creditors. Under the Boy Scouts' settlement, claimants whose states afford a longer statute of limitations in which to file sexual abuse claims recover more money from the settlement fund than do claimants whose states afford shorter statutes of limitations. The further wrinkle in this particular settlement allows that benefit to be extended to claimants in any state that chooses to extend its statute of limitations within 1 year following the effective date of the bankruptcy settlement, which occurred in September, 2022.

To put the matter into perspective, depending on state statutes of limitations for abuse cases, a Boy Scout abuse claim in Alabama might be worth a minimum of \$3,300 or maximum of \$148,500, while the same claim in New York was worth a minimum of \$60,000 or a maximum of \$2.7 million. Because of the unique way in which the Boy Scout bankruptcy case was settled, the longer the state's statute of limitations, the more a claimant can receive. We want to afford Ohio claimants the opportunity to recover as much as claimants in other states who were similarly victimized and which states have longer statutes of limitations.

Finally, based on feedback from the 134th General Assembly, we have reintroduced this bill with 2 minor modifications. The first narrows the kinds of organizations subject to the extended statute of limitations to only those classified under a specific subsection of federal law as congressionally chartered. This effectively describes the Boy Scouts of America without actually saying so. The second implements a sunset date of 5 years on the law, ensuring that other organizations won't be inadvertently impacted. This provision is similar in operation to the law in several other states that have reopened their statutes of limitation for a limited period of time in order for otherwise stale claims to be made during that reopened window of time.

Thank you again for the opportunity to provide sponsor testimony on this important legislation. We would be happy to answer any questions at this time.

