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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 554**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 554's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. D. Thomas

**Local Impact Statement Procedure Required:** Yes

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### **Highlights**

- State agencies and political subdivisions could incur costs to purchase equipment and for additional staff hours to manage cash handling procedures.
- The costs for the Office of the Attorney General's Consumer Protection Section to investigate and enforce new violations of the Consumer Sales Practices Act will depend on the number of complaints filed/reported, investigations performed, and enforcement actions taken. To some degree, any related increase in operating costs might be offset by the collection of civil penalties credited to the Consumer Protection Enforcement Fund (Fund 6310).
- Any increase in the annual operating costs of courts to adjudicate Attorney General and consumer-initiated civil actions will be no more than minimal and absorbed by utilizing existing staff and resources.

### **Detailed Analysis**

#### **Overview**

The bill requires a governmental entity to accept cash when offered as payment for any transaction totaling \$500 or less. They are prohibited from charging higher prices to people using cash as payment compared to those not paying with cash. Violations of the bill's provisions regarding private sellers accepting cash payments is considered an unfair and deceptive act or practice under Ohio's Consumer Sales Practice Law (CSPL); the Attorney General has the same powers to enforce the bill's provisions as under the Consumer Sales Practices Act (CSPA).

## **Governmental entities accepting cash payments**

State agencies and political subdivisions may incur costs to purchase equipment and to pay the costs of additional staff hours needed to implement cash handling procedures to ensure cash payments are properly accounted for. Entities that currently accept cash payments for all instances where receipts are \$500 or less would not be impacted. It is possible that the requirement for cash payment may extend to such activities as paid parking operated by government entities. In this example, in situations where a government uses signage and mobile app payment, the bill could potentially be interpreted as requiring parking meters or multi-space kiosks to be installed to accept cash payment. Overall, the costs of complying with the provisions of the bill are unclear. However, some governmental entities could incur significant costs to meet the requirements of accepting cash payments.

### **Attorney General**

A violation of the bill's provisions regarding private sellers accepting cash as payment is deemed an unfair or deceptive act or practice under the CSPA. The Attorney General has broad authority to enforce the CSPA, including suing for injunctive relief and civil penalties. Depending upon the nature of the violation, the court is permitted to impose a civil penalty of \$5,000 up to \$15,000 for each day of violation of a temporary restraining order, preliminary injunction, or permanent injunction and an additional amount of not more than \$25,000 if the violation is an act or practice that was declared to be unfair, deceptive, or unconscionable. Pursuant to current law, the civil penalties are distributed as follows: three-fourths, or 75%, to the state's existing Consumer Protection Enforcement Fund (Fund 6310) and one-fourth, or 25%, to the treasury of the county where the Attorney General's action is brought. The timing and magnitude of this potential revenue stream is uncertain. Typically, the Attorney General will try to negotiate a settlement and take a matter to trial as a last resort.

Under the bill and the CSPA, a consumer has a private right of action and can sue the supplier to rescind the transaction or to recover the consumer's actual economic damages plus up to \$5,000 in noneconomic damages. If the supplier's violation is an act or practice that has already been declared deceptive or unconscionable by the Attorney General or by a court, then the consumer may sue to rescind the transaction or recover three times the amount of the consumer's actual economic damages.

Overall, the number of additional Attorney General or consumer-initiated civil actions is expected to be relatively small in the context of a court's total caseload, with associated costs minimal at most. Any costs would be absorbed utilizing existing staff and appropriated resources.