



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 701
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 701's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Williams and Humphrey

Local Impact Statement Procedure Required: No

Maggie West, Senior Budget Analyst, and other LBO staff

Highlights

- Juvenile courts may experience a likely minimal increase in workload and related costs to implement the bill's qualification for employment requirements for certain previously adjudicated juveniles.
- Authorizing any compensation and benefits related to a workers' compensation claim that meet certain conditions be charged to the State Insurance Fund, instead of charging it to an individual employer's experience, may increase benefits paid from the State Insurance Fund by an undetermined amount. Any increase would depend on the number of workers' compensation claims associated with eligible employees and the amount of benefits paid to such employees.
- The Bureau of Wage and Hour Administration may experience some minimal additional administrative costs to file and maintain newly created certificates of qualification for employment (CQE) under the bill. These CQEs would be maintained by the Bureau in the same fashion as minor work permits.

Detailed Analysis

Certificate of qualification for employment for juvenile offenders

The bill creates a certificate of qualification for employment (CQE) for juvenile offenders and allows a 17-year-old who has previously been adjudicated delinquent to apply for a CQE from the juvenile court in which the child was adjudicated. Upon receipt of a CQE application, the bill requires the court to review the application and, if the application is accurate and the child is no longer under the jurisdiction of the court for the delinquency matter, requires the court to grant the CQE. Additionally, the bill provides immunity against an employer who has been accused of negligence in hiring or supervising such a child.

As a result, juvenile courts will experience an increase in workload and related costs to create an application form and procedure, and to review and grant CQEs submitted by certain previously adjudicated juvenile offenders. According to the Judicial Conference of Ohio, since the bill's CQE provisions only apply to certain 17-year-olds, any increase in workload or related costs are likely to be minimal for any given court annually.

Employer discrimination

The bill prohibits an employer from paying lower wages or providing fewer fringe benefits to an employee with a CQE for juvenile offenders and permits such an employee to sue their employer in a court of competent jurisdiction. The bill further prohibits an employer from retaliating against such an employee for participating in a discrimination-related court proceeding. These provisions are not expected to have a discernible impact on the workload or related costs for any given municipal or county court or court of common pleas. The court having jurisdiction of such a case would depend on where the violation occurred and the magnitude of the difference between the wages and value of fringe benefits received by the employee when compared to those of another employee performing equal work.

CQE in lieu of work permit

The bill allows a minor who is of compulsory school age to use a CQE created by the bill in lieu of a work permit as proof of the minor's age and of an employer's right to employ the minor. Minor work permits are filed and maintained by the Bureau of Wage and Hour Administration within the Department of Commerce (COM). The Bureau enforces the prevailing wage, minimum wage, and minor labor laws. The Bureau would presumably maintain the CQEs established by the bill in the same fashion as minor work permits. Therefore, it appears the bill would result in some additional administrative costs for the Bureau, the magnitude of which would depend on the number of CQEs granted under the bill. The Bureau of Wage and Hour Administration is funded through the Industrial Compliance Fund (Fund 5560), which consists of fees assessed on various regulated entities, including elevator inspection fees, plan examination fees, boiler fees, Board of Building Standards fees, bedding fees, and Ohio Construction Industry Licensing Board fees. COM has allocated roughly \$1.5 million in both FY 2026 and FY 2027 from Fund 5560 to support the Bureau of Wage and Hour Administration.

Workers' compensation claim

The bill specifies that any compensation and benefits related to a workers' compensation claim must be charged to the Surplus Fund Account in the State Insurance Fund (SIF), instead of charging it to an individual employer's experience, if both of the following conditions apply to the claim: (1) the employer of the employee who is the subject of the claim is a state fund employer that pays premiums into the State Insurance Fund, and (2) the employee who is the subject of the claim is 17 years of age and has been granted a CQE under the bill. The bill also authorizes a self-insuring employer to deduct all compensation and benefits payable to an employee who is 17 years of age and has been granted a CQE under the bill from the paid compensation that the self-insuring employer must currently report to the Bureau of Workers' Compensation (BWC) Administrator. BWC is an exclusive workers' compensation provider in the state, not private insurers. Currently, all employers with one or more employees are required to have workers' compensation coverage through BWC policies, unless such employer has sufficient financial and administrative resources and thus qualify to be self-insured.

The bill does not prohibit increasing an employer's premium to recoup an additional award for a violation of a specific safety rule pursuant to the Ohio Constitution and the Workers' Compensation Law. Similarly, the bill does not permit a self-insuring employer to deduct any amounts paid by the self-insuring employer for a violation of a specific safety standard pursuant to the Ohio Constitution and the Workers' Compensation Law.

The provision related to workers' compensation claims may increase benefits paid from the State Insurance Fund by an undetermined amount. Any increase would depend on the number of claims associated with 17-year-old employees who have been granted a CQE under the bill that are filed for benefits from the SIF and the amount of benefits paid to such employees.

According to 2024 Market Share Reports for Property/Casualty Groups and Companies by State and Countrywide, prepared by the National Association of Insurance Commissioners, June 2025,¹ in 2024 total direct premiums related to all workers' compensation policies in Ohio were \$1.30 billion. Of the statewide total direct premiums, BWC's premiums were \$1.28 billion, accounting for about 98.4% of the state's workers' compensation market share in 2024. The remaining \$21 million of such direct premiums were written by private insurers. In general, these premiums written by private insurers are for other business insurance policies that are somewhat different from workers' compensation coverage.

FNHB0701IN-136/zg

¹ Source: [2024 Market Share Reports for Property/Casualty Groups and Companies by State and Countrywide \(PDF\)](#), prepared by the National Association of Insurance Commissioners (NAIC), June 2025. The report is also available from the NAIC website (www.naic.org), under "Resource Center," then select "Publications," and the report is located within the "Market Share Reports for Groups and Companies."