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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 769
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 769's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Kishman and Craig

Local Impact Statement Procedure Required: No

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Highlights

- 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 resulting in Attorney General and consumer-initiated civil actions will be no more than minimal and absorbed by utilizing existing staff and resources.

Detailed Analysis

Roofing contractors

The bill establishes requirements for any contract for roofing services of more than \$750 and regulates the practices of roofing contractors, including insurance obligations, contracts for services, and cancellations of contracts. These practices and requirements are explained in greater detail in the LSC bill analysis. The bill makes a contractor's failure to comply with the bill's requirements a deceptive act or practice in connection with a consumer transaction under Ohio's Consumer Sales Practices Act (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.