

## Ohio Legislative Service Commission

Office of Research and Drafting

Legislative Budget Office

H.B. 92 (l\_136\_0330-2) 136<sup>th</sup> General Assembly

# Fiscal Note & Local Impact Statement

Click here for H.B. 92's Bill Analysis

Version: In House Local Government

**Primary Sponsors:** Reps. Johnson and McClain

Local Impact Statement Procedure Required: No

Tom Wert, Senior Budget Analyst, and other LBO staff

### **Highlights**

- The bill prohibits a municipal corporation from refusing or from discontinuing municipal utility services to a tenant or landlord of a residential premises for nonpayment by a former tenant. This could result in a slight decrease in revenue collected for municipal utility services. However, the magnitude of any loss is uncertain because the frequency with which this tactic is employed is uncertain.
- The bill expands the grounds for forcible entry and detainer actions (evictions) to include a tenant who is financially responsible for paying for municipal utility service and who fails to do so. Costs to the municipal and county courts will vary based on the number of additional eviction cases filed.

#### **Detailed Analysis**

#### **Municipal service fees**

The bill makes changes regarding a municipal corporation's collection of unpaid fees and charges for municipal utility services<sup>1</sup> and has uncertain fiscal effects. First, it prohibits a municipal corporation from refusing or discontinuing a municipal service to a landlord, present tenant, or prospective tenant at a residential premises based on nonpayment for the service by a former tenant of the premises. This change may create a slight loss of revenue for municipal corporations that employ this tactic. However, it is unclear how frequently this may occur and the amount of lost revenue that could be suffered by a municipal corporation is uncertain. The

<sup>1</sup> Under the bill, municipal services include water, sewer, natural gas, electric, or other utility service supplied by a municipal corporation.

bill also allows a municipal corporation to withdraw and expend any security deposit collected by the municipal corporation from any tenant for municipal utility services for nonpayment of those services. It also clarifies that a municipal corporation may discontinue municipal utility services to tenants who are in arrears 30 days or more. Given that municipal corporations likely have the ability to collect and expend security deposits and discontinue services for nonpayment under home rule, these changes appear to have no fiscal effect.

#### **Evictions**

The bill permits eviction proceedings to be brought against a tenant who is financially responsible for paying for municipal utility service and who fails to do so. Eviction cases are handled by municipal and county courts. Municipal and county courts with subject matter jurisdiction over evictions will experience an increase in workload and related expenses related to eviction actions and a corresponding increase in revenues in the form of court costs and fees. Costs to the court will vary based on the number of additional eviction cases filed in the various courts as a result. In 2024, nearly 106,000 new eviction cases were filed with the municipal and county courts.

#### **Synopsis of Fiscal Effect Changes**

The substitute bill (I\_136\_0330-2) removes provisions regarding a municipal corporation's ability to place liens on properties for unpaid municipal service fees under certain circumstances and eliminates a procedure for resolving billing complaints, resulting in no fiscal effect changes from current law under the substitute bill.

The substitute bill prohibits a municipal corporation from refusing to connect or from discontinuing municipal utility services at a residential premises for nonpayment by a former tenant. Because the frequency by which this tactic is currently employed is unknown, the fiscal effect of this change is uncertain.

The substitute bill removes provisions which established a process to appeal municipal liens to municipal and county courts. Instead, it permits eviction proceedings to be brought against a tenant who is financially responsible for paying for municipal utility service and who fails to do so. The fiscal effect of this change is uncertain.

FNHB0092H1-136/lb

P a g e | 2 H.B. 92, Fiscal Note