

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 15** DATE: **March 21, 2007**
STATUS: **As Introduced** SPONSOR: **Rep. Chandler**
LOCAL IMPACT STATEMENT REQUIRED: **Yes**
CONTENTS: **Human trafficking**

State Fiscal Highlights

STATE FUND	FY 2007*	FY 2008	FUTURE YEARS
General Revenue Fund (GRF)**			
Revenues	- 0 -	Potential negligible gain in locally collected state court costs	Potential negligible gain in locally collected state court costs
Expenditures	- 0 -	Factors potentially drive up operating costs for certain state agencies, magnitude uncertain	Factors potentially drive up operating costs for certain state agencies, magnitude uncertain
Victims of Crime/Reparations Fund (Fund 402)			
Revenues	- 0 -	Potential negligible gain in locally collected state court costs	Potential negligible gain in locally collected state court costs
Expenditures	- 0 -	Potential increase for certain victim services	Potential increase for certain victim services
Other State Funds**			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Factors potentially drive up operating costs for certain state agencies, magnitude uncertain	Factors potentially drive up operating costs for certain state agencies, magnitude uncertain

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

* For the purposes of this fiscal analysis, it is assumed that any of the bill's state fiscal effects would occur sometime after FY 2007.

** The bill requires various state entities, in particular, the Attorney General and the departments of Health, Mental Health, and Job and Family Services, to undertake certain tasks, the cost of which, and the manner of payment, are uncertain as of this writing.

- **Incarceration expenditures**. As a result of violations of the bill's prohibition, there could potentially be a relatively small number of additional offenders sentenced to prison. Such an outcome would, theoretically at least, increase the Department of Rehabilitation and Correction's GRF-funded incarceration expenditures, with the size of any such increase likely to be no more than minimal annually. This is because the number of persons who might violate the



bill's prohibition in any given year appears likely to be relatively small. For the purposes of this fiscal analysis, "minimal" means an estimated cost in GRF moneys of less than \$100,000 per year for the state.

- **Court cost revenues.** The bill may also produce a revenue gain to the GRF and the Victims of Crime/Reparations Fund (Fund 402) in state court costs collected from offenders who violate the new felony offense. Given the expectation that there would likely be a relatively small number of new cases per year in which individuals are charged with a violation of the bill's prohibitions, the additional state revenue will likely be negligible. For the purposes of this fiscal analysis, "negligible" means an estimated revenue gain of less than \$1,000 for either state fund per year.
- **Other state expenditures.** As of this writing, LSC fiscal staff has not had the opportunity to contact all of the affected state agencies and complete the research necessary to determine how all of the specific provisions in the bill would impact state expenditures, including non-GRF sources of moneys that might be tapped to perform any required duties and responsibilities.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Counties, Municipalities, and Townships			
Revenues	Potential gain in court costs and fines, likely to be minimal at most	Potential gain in court costs and fines, likely to be minimal at most	Potential gain in court costs and fines, likely to be minimal at most
Expenditures	Factors likely to drive up operating costs for certain jurisdictions, magnitude uncertain	Factors likely to drive up operating costs for certain jurisdictions, magnitude uncertain	Factors likely to drive up operating costs for certain jurisdictions, magnitude uncertain

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **Local criminal justice expenditures.** Any resulting increase in a county's criminal justice system expenditures is likely to be no more than minimal annually because of the likelihood that the commission of human trafficking offenses as prohibited by the bill will likely be relatively rare in Ohio. For the purposes of this fiscal analysis, a minimal expenditure increase means an estimated annual cost of no more than \$5,000 for any affected county.
- **Local criminal justice revenues.** The bill could also increase the amount of court cost and fine revenues collected by counties from offenders. Given that the number of cases in which a violation of the bill's prohibitions might apply appears likely to be relatively small, the amount of additional court cost and fine revenues that counties may actually collect annually is likely to be no more than minimal. For the purposes of this fiscal analysis, a minimal revenue increase means an estimated gain of no more than \$5,000 for any affected county per year.
- **Other revenues and expenditures.** As of this writing, LSC fiscal staff has not had the opportunity to contact all of the affected agencies and complete the research necessary to determine how all of the specific provisions in the bill would impact local revenues and expenditures. It is also the case that, even after one has sorted out all of the provisions potentially affecting local governments, the quantification of their impact will be problematic. Thus, the net fiscal impact of all of the bill's provisions on any affected local government is uncertain.

Detailed Fiscal Analysis

For the purposes of this fiscal analysis, the bill most notably:

- Prohibits a person from engaging, or conspiring to engage, in a pattern of trafficking in persons.
- Requires forfeiture by an offender of proceeds derived from trafficking in persons.
- Creates a civil cause of action based on trafficking in persons.
- Authorizes payment from the Reparations Fund of the costs of services for victims of trafficking in persons.
- Requires the Attorney General to provide training for peace officers in investigating and handling trafficking-in-persons cases, include information on restitution to victims of trafficking in persons in the crime victims' rights pamphlet, compile statistics on trafficking in persons, promote public awareness of trafficking in persons, and develop a victims' services plan for victims of trafficking in persons.
- Requires law enforcement agencies to identify and provide reasonable protection to victims of trafficking in persons.
- Requires the Supreme Court of Ohio to develop special procedures for witnesses who are minors.
- Requires the departments of Health and Mental Health to develop procedures for providing special physical and mental health care tailored to the needs of minors who are victims of trafficking in persons.
- Requires the Department of Job and Family Services to develop procedures for reuniting a minor victim of trafficking in persons with family members in the minor's country of origin or destination.
- Creates the Ohio Prevention of Trafficking in Persons Task Force.

Offense of trafficking

The bill prohibits a person from engaging in a pattern of trafficking in persons. Whoever violates this prohibition is guilty of the offense of "trafficking in persons," which is a felony of the first degree. While upon preliminary analysis, it appears that human trafficking is not extremely prevalent in Ohio, the bill will undoubtedly create some new felony cases in the criminal justice system, which will affect local law enforcement agencies, the courts, public defenders, county prosecutors, local jails, and the state prison system. However, given the particular time frame at hand, it is difficult to develop a precise estimate of how many new cases would likely be created by the enactment of this bill.

State fiscal effects

As a result of violations of the bill's felony prohibition, there could potentially be a very small number of additional offenders sentenced to prison. Such an outcome would, theoretically at least, increase the Department of Rehabilitation and Correction's GRF-funded incarceration expenditures, with the size of any such increase likely to be no more than minimal annually. This is because the number of persons who might violate the bill's prohibition in any given year appears likely to be relatively small. For the purposes of this fiscal analysis, "minimal" means an estimated cost in GRF moneys of less than \$100,000 per year for the state.

As a result of violations of the bill's prohibition, additional revenue, in the form of state court costs, may be collected locally and forwarded for deposit in the state treasury to the credit of the GRF and the Victims of Crime/Reparations Fund (Fund 402). The state court costs for a felony offense total \$45, of which the GRF receives \$15 and Fund 402 receives \$30. Given the expectation that there would likely be a relatively small number of new cases in which individuals are charged with trafficking in humans, the additional state revenue will likely be negligible. For the purposes of this fiscal analysis, "negligible" means an estimated revenue gain of less than \$1,000 for either state fund per year. It is also important to note that collecting court costs and fines from certain offenders can be problematic, especially in light of the fact that many are unable or unwilling to pay.

Local fiscal effects

As noted, it appears unlikely that the bill will create a large number of new cases for county criminal justice systems to process. That said, any new criminal case that is created as a result of violating the bill's prohibition, theoretically at least, carries the potential to increase related county criminal justice system costs, for example, expenses related to investigating, prosecuting, adjudicating, and sanctioning the offender, as well as paying for defense counsel if the offender is indigent. Any resulting increase in a county's criminal justice system expenditures is likely to be no more than minimal annually because of the likelihood that the commission of human trafficking offenses as prohibited by the bill will likely be relatively rare in Ohio. For the purposes of this fiscal analysis, a minimal expenditure increase means an estimated annual cost of no more than \$5,000 for any affected county.

Furthermore, the bill could also increase the amount of court cost and fine revenues collected by counties from offenders. Given the number of cases in which a violation of the bill's prohibition might apply appears likely to be relatively small, and the likelihood that the federal government would probably take a lead role in many of these matters, the amount of additional court cost and fine revenues that counties may actually collect annually is likely to be no more than minimal. For the purposes of this fiscal analysis, a minimal revenue increase means an estimated gain of no more than \$5,000 for any affected county per year.

Other provisions

The bill also creates numerous other court and agency related functions and responsibilities such as allowing civil cases to be filed by the victims, providing for offender restitution to certain victims, setting a statute of limitations for both criminal and civil actions, requiring the Attorney General to publish

data related to said offenses, providing exemptions regarding privileged communications to trafficking-in-persons caseworkers, and requiring law enforcement agencies to make every effort in identifying other victims and to provide protection services to the victim or victims and their families. The bill also requires: (1) the departments of Health and Mental Health to develop procedures for providing special physical and mental health care tailored to the needs of minors who are victims of trafficking in persons, and (2) the Department of Job and Family Services to develop procedures for reuniting a minor victim of trafficking in persons with family members in the minor's country of origin or destination.

As of this writing, LSC fiscal staff has not had the opportunity to contact all of the affected agencies and complete the research necessary to determine how all of the specific provisions in the bill would impact state and local revenues and expenditures. It is also the case that, even after one has sorted out all of the provisions potentially affecting local governments, the quantification of their impact will be problematic. Thus, the net fiscal impact on any affected local government is uncertain.

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