



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 127 of the 128th G.A.      **Date:** October 21, 2009  
**Status:** As Introduced      **Sponsor:** Rep. S. Williams

**Local Impact Statement Procedure Required:** No — No local cost

**Contents:** Permits individual boards, commissions, and agencies to adopt rules to determine what criminal offenses are "substantially related" to an applicable profession

### State Fiscal Highlights

#### STATE FUND

#### FY 2010 – FUTURE YEARS

#### General Revenue Fund – Joint Committee on Agency Rule Review (JCARR)

Revenues - 0 -

Expenditures Potential increase related to additional workload

#### Other State Funds – Occupational Licensing and Regulatory Fund (Fund 4K90) and Other State Funds

Revenues - 0 -

Expenditures Potential increase related to rule development and review and recordkeeping requirements

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- **Additional rulemaking responsibilities.** State licensing boards, commissions, and certain state agencies with professional licensing functions would incur new costs to (1) develop rules that meet the requirements of the bill, and (2) keep abreast of changes to criminal offenses in the Revised Code. These expenses would be paid from the Occupational Licensing and Regulatory Fund (Fund 4K90) and other state funds that support state licensing, registration, and certification functions.
- **Additional recordkeeping responsibilities.** State licensing boards, commissions, and certain state agencies with licensing authority would also incur some new costs for tracking the number of licenses, permits, registrations, and certificates that are denied, revoked, or suspended under the review of criminal convictions required under the bill. The additional administrative costs associated with this provision would depend on the number of license holders and applicants affected by the bill.
- **Additional Joint Committee on Agency Rule Review workload.** If a large amount of new rules were filed as a result of the bill, this could increase workload for the GRF-funded Joint Committee on Agency Rule Review (JCARR).

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

### Overview

Under current law, certain boards, commissions, and agencies have the authority to deny, revoke, suspend, refuse to renew, or impose conditions on a license, permit, registration, or certificate if the applicant or holder has committed certain crimes. The crimes typically specified are felonies or those involving moral turpitude. Under the bill, state professional licensing boards and agencies with licensing responsibilities would be allowed to take such actions described above if the crime committed was "substantially related" to the professions under the agency's purview. The bill would require each specified state licensing entity to adopt rules identifying each criminal offense that is substantially related to those occupations under its supervision within 90 days of the bill's effective date. Professional licensing agencies would also be required to record the details of any action taken against a license holder or license applicant for a criminal offense, including the reasons for the action.

Although some state licensing entities already maintain rules that take into account crimes that are "substantially related" to the profession they regulate, from what LSC has been able to determine, these new responsibilities are likely to impose new costs on many state licensing entities, as well as the Joint Committee on Agency Rule Review. Most state licensing entities affected by the bill are supported by the Occupational Licensing and Regulatory Fund (Fund 4K90). However, there are a number of licensing entities that are supported by various other dedicated state funds.<sup>1</sup> The fiscal effects of the bill are described in more detail below.

### Additional rulemaking responsibilities

The initial impact of the bill on the state's professional licensing entities would be related to the development of rules specifying which criminal offenses are substantially related to the professions under their supervision. For many boards, commissions, and agencies, this workload could be substantial and would entail some additional expenses. When adopting new rules, interested parties are allowed to comment via public hearings. All board members must be present at these public hearings and are compensated for their time and, in some cases, travel expenses. Any new costs

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<sup>1</sup> The other funds potentially affected are as follows: the Auctioneers Fund (Fund 5B80) in the Department of Agriculture; the Consumer Finance Fund (Fund 5530), the Real Estate Operating Fund (Fund 5490), and the Real Estate Appraiser Operating Fund (Fund 6A40) in the Department of Commerce; the Telemarketing Fraud Enforcement Fund (Fund 5A90) in the Attorney General's Office; the State Medical Board Operating Fund (Fund 5C60); the Motor Vehicle Dealers Board Fund (Fund 5390), the State Bureau of Motor Vehicles Fund (Fund 4W4), and the Private Investigator and Security Guard Provider Fund (Fund 5B90) in the Department of Public Safety; and the General Operations Fund (Fund 4700) in the Department of Health.

resulting from this new rulemaking requirement would depend on the number and duration of these public hearings and the volume of new rules.

### **Additional recordkeeping responsibilities**

There would also be work involved in future years with keeping rules current in relation to criminal law. Specifically, state licensing entities would be required to keep records of the number of licenses affected by criminal convictions imposed on persons holding or applying for state licensure, registration, or certification in the professions covered by the bill. This requirement is also likely to increase administrative workload. Any additional costs associated with the increased workload would be paid from the Occupational Licensing and Regulatory Fund (Fund 4K90) and other state funds from which the other agencies impacted by the bill operate.

### **Additional Joint Committee on Agency Rule Review workload**

If a large amount of new rules were filed, there may also be an effect on the GRF-funded Joint Committee on Agency Rule Review (JCARR), which is responsible for the review of proposed new, amended, and rescinded rules from state agencies that have rule-making authority. It is expected that the bill would increase the demand for JCARR's services, as professional licensing boards would be filing a substantial number of new rules. Any additional expenses related to this increased workload would be paid for using GRF funds.