



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Am. H.B. 523 of the 129th G.A. **Date:** November 28, 2012
Status: As Reported by House Judiciary & Ethics **Sponsor:** Rep. Combs

Local Impact Statement Procedure Required: Yes

Contents: Increases the population requirement for a mayor's court, except on an island in Lake Erie, from more than 100 to more than 1,000

State Fiscal Highlights

STATE FUND

FY 2013 – FUTURE YEARS

Certain Court Cost Funds

Revenues	Potential loss in locally collected state court costs totaling up to \$1 million or more annually
Expenditures	Potential annual decrease, commensurate with revenue loss

Note: The state fiscal year is July 1 through June 30. For example, FY 2013 is July 1, 2012 – June 30, 2013.

- **Certain court cost funds.** The state may lose up to \$1 million or more in court cost revenue annually that might otherwise have been collected and apportioned in varying amounts between four state funds: the Indigent Defense Support Fund (Fund 5DY0), the Victims of Crime/Reparations Fund (Fund 4020), the Drug Law Enforcement Fund (Fund 5ET0), and the Justice Program Services Fund (Fund 4P60). This "loss" is based on the presumption that certain municipal corporations may file fewer misdemeanor and traffic violations, thus reducing the number of individuals required to pay state court costs.

Local Fiscal Highlights

LOCAL GOVERNMENT

FY 2013 – FUTURE YEARS

Certain Municipal Corporations (those operating a mayor's court below population threshold)

Revenues	Annual loss, potential range from a few thousand to several million dollars (includes loss of court costs and fees plus possible loss of fines)
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Expenditures	Likely annual decrease, commensurate with revenue loss and potentially significant in jurisdiction with large number of traffic cases
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Certain Municipal and County Courts (those assuming jurisdiction of mayor's court below population threshold)

Revenues	Annual gain, potential range from a few thousand to hundreds of thousands of dollars annually (includes gain of court costs and fees)
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Expenditures	Likely annual increase, potential in excess of minimal in areas assuming jurisdiction over a relatively large number of misdemeanor offense and traffic cases
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Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **Certain municipal corporations with mayor's court.** Based on the 2010 U.S. Census, 90 municipal corporations will not meet the bill's revised population requirements necessary to have a mayor's court. The magnitude of the annual decrease in operating expenses from the abolishment of these mayor's courts will generally be minimal, with the exception of municipal corporations where the decrease will be considerably larger given the relatively large number of traffic cases, perhaps in the range of tens or hundreds of thousands of dollars annually. The potentially more significant fiscal impact for these municipal corporations is the loss in fine, fee, and court cost revenue generated, especially when the amount is large enough to support related or other budgeted municipal operating expenses, for example, law enforcement.

- **Certain municipal and county courts.** Certain municipal and county courts are likely to assume jurisdiction of the misdemeanor offense and traffic cases for the 90 municipal corporations whose mayor's court is abolished. Generally, the number of cases to be transferred and the additional revenues and expenditures generated by these cases for these municipal and county courts is likely to be minimal. However, in some instances the potential number of cases transferred and the annual magnitude of the revenues and expenditures generated may exceed minimal, most likely in the tens or hundreds of thousands of dollars. All or some portion of a municipal or county court's operating expenditure increase may be offset by (1) the additional court cost and fee revenue likely to be generated and (2) money that might be charged to municipal corporations for the use of its court and related services, is uncertain.

Detailed Fiscal Analysis

General revenue distribution and operating expense rules

The manner in which municipal, county, and mayor's courts in Ohio handle the distribution of court-collected revenues and apportion operating expenses can vary, particularly as it relates to the distribution of fines collected by those courts. State law addresses the issues generally, but also contains numerous exceptions and special crediting provisions that arguably, in some cases, are not easily nor readily discerned. Another layer of complexity is introduced by the fact that different general fine distribution rules apply as a function of: (1) the nature of the violation (whether the offender has been convicted of, or pleaded guilty to, violating a state law or municipal ordinance), (2) the arresting agency, and (3) the court with jurisdiction over the subject matter.

While recognizing that the rules applicable in Ohio's courts can be subject to exceptions and special crediting provisions, this fiscal analysis builds from the following general assumptions relative to the handling of revenues collected and expenditures incurred by municipal, county, and mayor's courts:

- Fines collected for violations of municipal ordinances generally must be paid into the treasury of the city or village whose ordinance was violated.
- Fines collected for violations of the Revised Code generally must be paid into the treasury of the county in which the trial court is located.
- Costs and fees collected by courts generally are retained by the court or local jurisdiction in which the court is located.
- Current operating expenses of a municipal court are generally paid by the municipal corporation or county in which the court is located and under certain circumstances are apportioned among all of the municipal corporations that are within the territory of the court.

State fiscal effects

As a result of the abolishment of 90 mayor's courts and a possible resulting reduction in a municipal corporation's revenue stream, certain municipal law enforcement departments may reduce their patrol force and thus file fewer misdemeanor offense and traffic cases than might otherwise have been the case under current law. If so, then the amount of revenue generated in the form of fines, fees, and court costs will drop to some degree as well. This includes state court costs that are collected, and depending upon the nature of the misdemeanor or traffic offense, divided generally in varying amounts between the following four state funds: the Indigent Defense Support Fund (Fund 5DY0), the Victims of Crime/Reparations Fund (Fund 4020), the Drug Law Enforcement Fund (Fund 5ET0), and the Justice Program Services Fund (Fund 4P60). The potential statewide reduction in misdemeanor traffic

and OVI cases is estimated to be around 25,000 cases annually. Over half of the projected statewide reduction in these types of cases comes from the six mayor's courts listed in Table 1 below. The total amount of state court costs typically charged in these cases is around \$40. Therefore, the potential loss in state court costs resulting from this bill could total up to \$1 million or so annually across all of the affected state funds (25,000 cases x \$40).

Mayor's Court Location	County	Municipal Population*	Total Caseload**	Court Likely to Take Jurisdiction of Mayor's Court Cases
Linndale	Cuyahoga	179	4,604	Parma Municipal Court
Arlington Heights	Hamilton	745	4,403	Hamilton County Municipal Court
Hanging Rock	Lawrence	221	1,436	Lawrence County Municipal Court
Chesapeake	Lawrence	745	1,211	Lawrence County Municipal Court
North Hampton	Clark	478	1,177	Clark County Municipal Court
Owensville	Clermont	794	1,052	Clermont County Municipal Court

* Based on the 2010 U.S. Census.

** Includes new cases filed, cases transferred in from another court, and reactivated cases reported to the Ohio Supreme Court for calendar year 2011.

Local fiscal effects

Jurisdictions required to abolish mayor's court

Municipal corporation revenues. Under the bill, 90 municipal corporations will be required to abolish their mayor's court and all of the misdemeanor offenses and traffic cases that would otherwise have been heard by that mayor's court will come under the territorial jurisdiction of the appropriate municipal or county court. This means a loss of all revenue that would otherwise have been generated from court costs and fees, an amount that will generally range from negligible to minimal annually. However, in the some cases, such as those listed in Table 1 above, the annual loss in court costs and fees may be considerably larger, as those mayor's courts process anywhere from a thousand to several thousand cases per year.

Municipal corporation expenditures. As a result of being required to abolish its mayor's court, the annual operating expenses associated with that mayor's court are eliminated. The magnitude of the annual savings generally to a municipal corporation is likely to be minimal. According to the Ohio Supreme Court's Mayor's Court Report for 2011, an extremely high percentage of these cases were resolved through a guilty or no contest plea or the municipal corporation's motor vehicle violations bureau.

For certain municipal corporations, however, the abolition of its mayor's court may negatively impact its ability to fund current law enforcement activities. The additional revenue municipal corporations are able to collect through the operation of a mayor's court may support a larger law enforcement department than arguably might typically otherwise exist. This suggests that, in order to operate within a more constrained budgetary environment, a municipal corporation may be forced to reduce

its law enforcement expenditures, including cutting payroll costs. The magnitude of the operating expense reductions necessary to function within a more constrained budget may easily be in the tens or hundreds of thousands of dollars annually for certain municipal corporations.

Jurisdictions assuming caseloads of abolished mayor's courts

Municipal and county revenues. Certain municipal and county courts, those listed in Table 2, will gain revenues in the form of court costs and fees collected in misdemeanor offenses and traffic cases that under current law would have been collected and generally retained by the municipal corporation that had established a mayor's court. These existing municipal and county courts expected to adjudicate the cases currently handled by a neighboring mayor's court could generate, depending on the number of new cases, anywhere from a negligible amount of revenue annually up to several hundred thousand dollars per year.

Municipal and county expenditures. The calendar year 2011 caseload data reported by the Supreme Court suggests that, if the bill had been in effect at that time, 30,000-plus misdemeanor offense and traffic cases would have been handled by a municipal or county court instead of a mayor's court.

In most courts, the number of cases that would in effect be transferred from the jurisdiction of an abolished mayor's court to the appropriate municipal or county court may only be in the tens or hundreds. In this situation, one would assume that the costs to that municipal or county court to process a relatively small number of additional cases would not be significant and might arguably generate little if any discernible costs. However, in some cases the additional costs incurred by the municipal or county court to process thousands of additional cases annually could be significant but may be offset (1) by increased fine, fee, and court cost revenue and (2) expenses that the municipal or county court can charge to other jurisdictions for the use of the court and related services.

Based on the 2010 U.S. Census, 90 municipal corporations will not meet the bill's revised population requirements¹ necessary to have a mayor's court. Table 2 lists the following details associated with those municipal corporations that will not be permitted to continue operating their mayor's court: the affected municipal corporation (including its territorial population), the county in which the municipal corporation is located, the mayor's court's total caseload, and the municipal or county court likely to assume territorial jurisdiction over the misdemeanor offense and traffic cases of that mayor's court.

¹ The municipal corporations of Kelley's Island and Put-in-Bay do not meet the bill's revised population requirements, but are specifically exempted as municipal corporations operating a mayor's court on an island in Lake Erie.

Table 2: Details of Locations Where Mayor's Courts are Abolished

Mayor's Court Location	County	Municipal Population*	Total Caseload**	Court Likely to Take Jurisdiction of Mayor's Court Cases
Seaman	Adams	944	215	Adams County County Court
Mifflin	Ashland	137	126	Ashland Municipal Court
Amesville	Athens	154	37	Athens County Municipal Court
Buchtel	Athens	558	280	Athens County Municipal Court
Jacksonville	Athens	481	151	Athens County Municipal Court
Trimble	Athens	390	42	Athens County Municipal Court
New Knoxville	Auglaize	879	12	Auglaize County Municipal Court
Belmont	Belmont	453	12	Belmont County County Court
Brookside	Belmont	632	8	Belmont County County Court
Fayetteville	Brown	330	707	Brown County Municipal Court
Hamersville	Brown	546	104	Brown County Municipal Court
Higginsport	Brown	251	4	Brown County Municipal Court
Russellville	Brown	561	344	Brown County Municipal Court
Sardinia	Brown	980	195	Brown County Municipal Court
Seven Mile	Butler	751	262	Butler County County Court
Catawba	Clark	272	126	Clark County Municipal Court
Donnelsville	Clark	304	43	Clark County Municipal Court
North Hampton	Clark	478	1,177	Clark County Municipal Court
Tremont City	Clark	375	603	Clark County Municipal Court
Felicity	Clermont	818	194	Clermont County Municipal Court
Newtonsville	Clermont	392	166	Clermont County Municipal Court
Owensville	Clermont	794	1,052	Clermont County Municipal Court
Hanoverton	Columbiana	408	155	Columbiana County Municipal Court
Rogers	Columbiana	237	36	Columbiana County Municipal Court
Summitville	Columbiana	135	133	Columbiana County Municipal Court
Bentleyville	Cuyahoga	864	70	Bedford Municipal Court
Cuyahoga Heights	Cuyahoga	638	570	Garfield Heights Municipal Court
Glenwillow	Cuyahoga	923	605	Bedford Municipal Court
Linndale	Cuyahoga	179	4,604	Parma Municipal Court
Woodmere	Cuyahoga	884	973	Bedford Municipal Court
Sherwood	Defiance	827	0	Defiance Municipal Court
Shawnee Hills	Delaware	681	518	Delaware Municipal Court
Carroll	Fairfield	524	93	Fairfield County Municipal Court
Sugar Grove	Fairfield	426	33	Fairfield County Municipal Court
Brice	Franklin	114	578	Franklin County Municipal Court
Marble Cliff	Franklin	573	336	Franklin County Municipal Court
Valleyview	Franklin	620	516	Franklin County Municipal Court
Senecaville	Guernsey	457	70	Cambridge Municipal Court
Addyston	Hamilton	938	252	Hamilton County Municipal Court
Arlington Heights	Hamilton	745	4,403	Hamilton County Municipal Court

Table 2: Details of Locations Where Mayor's Courts are Abolished				
Mayor's Court Location	County	Municipal Population*	Total Caseload**	Court Likely to Take Jurisdiction of Mayor's Court Cases
Mowrystown	Highland	360	74	Hillsboro Municipal Court
Laurelville	Hocking	527	65	Hocking County Municipal Court
Murray City	Hocking	449	108	Hocking County Municipal Court
Coalton	Jackson	479	135	Jackson County Municipal Court
Dillonvale	Jefferson	665	61	Jefferson County County Court
Empire	Jefferson	299	164	Jefferson County County Court
Smithfield	Jefferson	869	311	Jefferson County County Court
Stratton	Jefferson	294	5	Jefferson County County Court
Grand River	Lake	399	234	Painesville Municipal Court
Chesapeake	Lawrence	745	1,211	Lawrence County Municipal Court
Hanging Rock	Lawrence	221	1,436	Lawrence County Municipal Court
Proctorville	Lawrence	574	547	Lawrence County Municipal Court
Alexandria	Licking	517	74	Licking County Municipal Court
Hartford	Licking	397	21	Licking County Municipal Court
Kirkersville	Licking	525	605	Licking County Municipal Court
St. Louisville	Licking	373	355	Licking County Municipal Court
Berkey	Lucas	237	331	Sylvania Municipal Court
Racine	Meigs	675	21	Meigs County County Court
Syracuse	Meigs	826	130	Meigs County County Court
Phillipsburg	Montgomery	557	86	Montgomery County Municipal Court
Chesterhill	Morgan	289	0	Morgan County County Court
Malta	Morgan	671	92	Morgan County County Court
Edison	Morrow	437	115	Morrow County Municipal Court
Oakwood	Paulding	608	9	Paulding County County Court
Corning	Perry	583	1	Perry County County Court
Junction City	Perry	819	65	Perry County County Court
New Straitsville	Perry	722	75	Circleville Municipal Court
Thornville	Perry	991	60	Circleville Municipal Court
West Elkton	Preble	197	22	Eaton Municipal Court
Butler	Richland	933	90	Mansfield or Shelby municipal court
Lucas	Richland	615	21	Mansfield Municipal Court
Shiloh	Richland	649	100	Shelby Municipal Court
Bettsville	Seneca	661	134	Tiffin Municipal Court
Bloomville	Seneca	956	19	Tiffin Municipal Court
Republic	Seneca	549	523	Tiffin Municipal Court
Port Jefferson	Shelby	371	170	Sidney Municipal Court
Waynesburg	Stark	923	295	Canton Municipal Court
Peninsula	Summit	565	428	Stow Municipal Court
Midvale	Tuscarawas	754	18	Tuscarawas County County Court
Port Washington	Tuscarawas	569	70	Tuscarawas County County Court

Table 2: Details of Locations Where Mayor's Courts are Abolished				
Mayor's Court Location	County	Municipal Population*	Total Caseload**	Court Likely to Take Jurisdiction of Mayor's Court Cases
Harveysburg	Warren	546	631	Warren County County Court
Maineville	Warren	975	144	Warren County County Court
Matamoras	Washington	896	145	Marietta Municipal Court
Marshallville	Wayne	756	142	Wayne County Municipal Court
Mount Eaton	Wayne	241	755	Wayne County Municipal Court
Bloomdale	Wood	678	0	Bowling Green Municipal Court
Bradner	Wood	985	87	Bowling Green Municipal Court
Risingsun	Wood	606	157	Bowling Green Municipal Court
Wayne	Wood	887	125	Bowling Green Municipal Court
West Millgrove	Wood	174	75	Bowling Green Municipal Court

* Based on the 2010 U.S. Census.

** Includes new cases filed, cases transferred in from another court, and reactivated cases reported to the Ohio Supreme Court for calendar year 2011.

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