



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 172 of the 129th G.A.

**Date:** January 25, 2012

**Status:** As Introduced

**Sponsor:** Sen. Schaffer

**Local Impact Statement Procedure Required:** No

**Contents:** To enable a judgment creditor landlord to obtain a court order directing the Tax Commissioner to pay the judgment debtor tenant's income tax refund to the landlord

### State Fiscal Highlights

STATE FUND	FY 2012	FY 2013	FUTURE YEARS
<b>GRF (Department of Taxation)</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase	Potential increase	Potential increase

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

- Permitting a judgment creditor landlord to obtain a court order directing the Tax Commissioner to pay the judgment debtor tenant's income tax refund to the landlord may increase administrative expenses for the Tax Department.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

S.B. 172 authorizes, under certain circumstances, a landlord who has obtained a judgment against a tenant for breach of a residential rental agreement to sue the state to recover the judgment by way of the tenant's income tax refund. The bill requires the landlord to bring the action in the Franklin County Court of Common Pleas, and it subordinates the landlord's rights to other claimants already specified in state law.

If a court order directing the Tax Commissioner to pay all or part of a tenant's refund to the landlord is issued, S.B. 172 stipulates that the order remains effective until the judgment is satisfied or four years after the date of the order. The bill does not include any appropriations for the Tax Department to implement the provisions of the bill.

### **Fiscal effect**

The bill would not reduce state income tax revenues; it would redirect refunds from taxpayers to landlords. Neither the GRF nor the Local Government Fund or Public Library Fund would be affected by S.B. 172. The bill may create additional costs for the Department of Taxation depending on the number of judgments obtained by landlords. LSC staff assumes the agency's costs would most likely be incurred by a GRF line item.