



Ohio Legislative Service Commission

Ruhaiza Ridzwan

Fiscal Note & Local Impact Statement

Bill: H.B. 162 of the 130th G.A.

Date: June 18, 2013

Status: As Introduced

Sponsor: Reps. Dovilla and Anielski

Local Impact Statement Procedure Required: No

Contents: To add extortion and perjury and certain federal offenses to the offenses committed by a public retirement system member while serving in a position of honor, trust, or profit that may result in forfeiture of retirement system benefits or the termination of retirement system disability benefits

State Fiscal Highlights

STATE FUND	FY 2014	FY 2015	FUTURE YEARS
Retirement Systems and Alternative Pension Plans – PERS, SERS, STRS, OP&F, SHPRS			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase or decrease	Potential minimal increase or decrease	Potential minimal increase or decrease

Note: The state fiscal year is July 1 through June 30. For example, FY 2014 is July 1, 2013 – June 30, 2014.

- No direct fiscal effect on the state.
- Any benefits forfeited under the bill's provisions would reduce the retirement systems' or plans' liabilities, thus creating a minimal decrease in their expenditures to provide benefits.
- The bill may minimally increase the systems' or plans' administrative expenses related to notification and hearing requirements for the additional types of felonies.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2013	FY 2014	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

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

- The bill may minimally increase the counties' administrative expenses due to a potential increase in the number of court hearing and notification requirements related to the additional felonies that require loss of benefits.

Detailed Fiscal Analysis

Under current law, a court is required to order the forfeiture and termination of the right to future retirement or disability benefits or existing disability benefits of a member of the Public Employees Retirement System (PERS), Ohio Police & Fire Pension Fund (OP&F), State Teachers Retirement System (STRS), Ohio School Employees Retirement System (SERS), State Highway Patrol Retirement System (SHPRS), or Cincinnati Retirement System (CRS), or of a participant in an alternative retirement plan (ARP) who is convicted of, or pleads guilty to, any of certain specified offenses while serving in a "position of honor, trust, or profit." For these purposes, a "position of honor, trust, or profit" is defined in section 2929.192 of the Revised Code as including state and local elected officials, members of state boards or commissions that are appointed by the Governor or the Attorney General, public officials and employees required to file a disclosure statement under section 102.02 of the Revised Code, public prosecutors, peace officers, Highway Patrol troopers, and public employees with the authority to spend over \$100,000 per year in public funds.

The bill expands the types of offenses under existing law for which forfeiture and termination of the right to receive such benefits is required. The bill expands the types of offenses to include the felony offenses of extortion and perjury, and certain federal offenses committed on or after the bill's effective date. The bill clarifies that the penalty for committing the existing and new offenses would apply to retired members who have been re-employed by a public employer.

The bill requires a person, who has been allegedly committing any of the federal offenses as specified by the bill, and who was serving in a position of honor, trust, or profit and was a member of one of the systems at the time of any of the federal offenses, to send a written notice to the system that such charges have been filed against the person. The bill also requires such person to send a written notice to the system upon the person's conviction of or guilty plea to the federal offense. The bill provides that the person may request a hearing regarding the forfeiture by submitting to the system a written request for a hearing and the system is required to schedule a hearing, if it is a timely request. The bill specifies that the system is required to order a forfeiture of the person's right to a retirement allowance, pension, disability benefit, or other right or benefit, other than payment of the person's accumulated contributions.

Fiscal effect

The bill would have no direct fiscal impact on the state. However, the bill may increase the counties' administrative expenses due to a potential increase in the number of court hearing and notification requirements related to the additional types of felonies. Any increase is expected to be minimal.

The bill may have minimal fiscal impacts on the retirement systems. Any forfeited benefits would reduce the systems' or plans' liabilities, thus generating minimal savings to the systems or plans. The bill may also increase the systems' or plans' administrative expenses due to requirements related to the additional types of felonies. However, any increase is expected to be minimal.

HB0162IN.docx / lb