

## Ohio Legislative Service Commission

Office of Research and Drafting

Legislative Budget Office

S.B. 143 136<sup>th</sup> General Assembly

# Fiscal Note & Local Impact Statement

Click here for S.B. 143's Bill Analysis

Version: As Introduced

Primary Sponsors: Sens. Craig and Blessing

**Local Impact Statement Procedure Required: No** 

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## **Highlights**

- The bill may increase the number of employment-related discrimination charges filed with the Ohio Civil Rights Commission annually. It is unclear if the Commission's current staffing levels can absorb the costs associated with the number of new charges anticipated.
- Courts of common pleas would likely be able to absorb any additional civil actions filed alleging employment discrimination with little, if any, discernible effect on their daily cost of operations.

### **Detailed Analysis**

The bill prohibits private employers, employing five or more people, from: (1) including on any initial application for employment any question that seeks the disclosure of an applicant's criminal background, (2) inquiring about or considering the criminal background of an applicant on any initial employment application, (3) considering, while conducting a criminal background check in connection with any application for employment, an arrest not followed by conviction or referral to or participation in a pretrial diversion program, and (4) interfering with, restraining, or denying the exercise of, or the attempt to exercise, any right provided under the bill. A violation of any of the bill's prohibitions is an unlawful discriminatory practice in employment under Ohio's Civil Rights Law.

The bill also establishes a process that a private employer must follow if they intend to deny an applicant a position of employment because of a criminal background check, which is still permitted as long as it is not in conflict with the bill's prohibitions. The bill does not apply to a position where an employer is required by any federal, state, or local law to conduct criminal

background checks for employment purposes or to restrict employment based on criminal background.

#### **Fiscal effect**

The Ohio Civil Rights Commission (OCRC) is responsible for enforcing Ohio's civil rights laws. As a result of the bill, the Commission may experience an indeterminate increase in annual complaint filings. It is unclear how many new filings resulting from the bill that the Commission can process to closure within the statutory timelines at their current staffing level without needing funding to hire additional investigators/mediators. Since these cases do not involve federal violations, all additional costs would be borne by state budgetary resources and not subject to federal reimbursements.<sup>1</sup> The Commission does not have the option to refuse to investigate a charge.

In addition to filing a claim with the Commission, the aggrieved person may also file a civil action in the appropriate court of common pleas. However, for all types of discrimination, the filing of a civil action is more often the exception rather than the rule. The Commission will attempt to resolve the complaint through mediation first. Under the continuing law procedure for employment discrimination, claimants must first file a charge of discrimination with the Ohio Civil Rights Commission and exhaust administrative procedures before filing a civil action seeking damages (see the "Enforcement" section of the LSC bill analysis for more detail). This suggests that the bill is unlikely to generate a significant number of new civil filings for any given court of common pleas to adjudicate. A court should be able to absorb any additional civil action filings into its caseload with little, if any, discernible effect on daily operations and related costs.

In FY 2024, around 77% (6,104) of the total 7,779 charges filed with the Ohio Civil Rights Commission related to employment. In that year, the number of completed cases of all types averaged around 240 cases per investigator.

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<sup>&</sup>lt;sup>1</sup> An agreement with the U.S. Equal Employment Opportunity Commission (EEOC) covers the costs of a specific number of cases agreed upon by both parties. An agreement with the U.S. Department of Housing and Urban Development (HUD) permits the Commission to investigate civil rights charges on behalf of HUD. OCRC is reimbursed for Probable Cause or No Probable Cause findings per case, with adjusted compensation per case for certain conciliations that meet higher standards of relief.