



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 422
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 422's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Fraizer and West

Local Impact Statement Procedure Required: No

Tom Wert, Senior Budget Analyst, and other LBO staff

Highlights

- The Ohio Environmental Protection Agency (Ohio EPA) anticipates hiring staff to implement and operate the new Billing Appeals Board. The cost of operating the appeals process is uncertain, but compared to other boards of this nature, payroll and administrative costs could be around a few hundred thousand dollars per year. There would also likely be one-time costs to provide necessary office space, supplies, equipment, and training for the new staff and board members, as well as to draft and enact rules.
- Municipal corporations that provide municipal services as defined by the bill may incur a slight uptick in administrative costs to establish a method for receiving and resolving billing complaints.

Detailed Analysis

Ohio Environmental Protection Agency

The bill creates the Billing Appeals Board (the Board) within the Ohio Environmental Protection Agency (Ohio EPA). The Board is charged with hearing appeals of improper billing complaints for certain municipal services. Ohio EPA must adopt rules related to the Board's composition, procedures for receiving complaints, and hearing appeals. The bill requires Ohio EPA to create a hotline for filing appeals and provide information about appeals and the appeals process and other related information.

According to Ohio EPA staff, the agency currently does not have the expertise available to administer such a billing appeals process. Additional staff would need to be hired and then trained. Current sources of funding for Ohio EPA are largely statutorily restricted and specific to the current functions of the agency (GRF funds are limited to certain recycling projects and the

E-Check Program).¹ The bill is silent on the manner in which Ohio EPA is to fund operations of the Board and required hotline.

LBO staff reviewed a number of state agencies in order to derive an estimate of the potential costs for funding the Board. The Department of Commerce currently operates the Board of Building Appeals. The payroll consists of one full-time Board/Commission Secretary and five board members who each are approximately 0.3 FTE (full-time equivalent). Board members are reimbursed for their travel expenses, but it is unclear if the Billing Appeals Board members would be eligible for like expenses or if they would be compensated for their time. That said, the operating costs for the Department of Commerce's Building Appeals Board were approximately \$286,000 in FY 2020 and nearly \$279,000 in FY 2021. Costs were slightly lower in FY 2021 due to certain travel restrictions and the use of virtual meetings because of the COVID-19 pandemic. It would seem reasonable to conclude that Ohio EPA would realize similar levels of new expenditures to implement and operate the Billing Appeals Board. However, the ultimate cost of operation will depend on a variety of factors, some of which may be dependent on the rules that will be enacted at a later date. There would also likely be one-time costs to provide necessary office space, supplies, equipment, and training for the new staff and board members, as well as to draft and enact the rules.

Municipal service fee complaints

Municipal corporations that provide municipal services may incur a slight uptick in administrative costs to comply with the bill's requirements to establish a method for persons receiving municipal services to make complaints of improper billing.² The bill requires municipal service providers to investigate every complaint received and resolve those complaints within ten business days. Under the bill, if a complaint is unable to be resolved in ten business days, the municipal service provider must provide the person who filed the complaint with a status report every five business days following the initial period. The bill allows a person who is not satisfied with the complaint resolution to appeal the matter to the Ohio EPA Billing Appeals Board under the process described above.

The bill also makes changes to Ohio municipal corporation laws relating to actions for recovery of unpaid rents and charges for village utility services and for unpaid rates and charges for disposal services. The bill also provides for other new regulations and authority regarding rates and charges, fees, and other billing issues for municipal services. These changes, although substantive, appear to have no fiscal effect. Please see the LSC bill analysis for additional details.

HB0422IN/lb

¹ Ohio EPA is charged with protecting the state's environment and public health by ensuring compliance with environmental laws. Ohio EPA has regulatory operations, each of which issues permits to regulate industries that pollute in a specific area, for example, air emissions or wastewater discharges to bodies of water. It also has nonregulatory operations that provide financial assistance to businesses and communities, site cleanup and spill response, environmental education, pollution prevention assistance, laboratory analysis, and criminal environmental investigations. In order to accomplish these duties, the agency is organized into a variety of divisions.

² Under the bill, municipal services include disposal services as described in R.C. 701.10 and water services as described in R.C. Chapter 743.