



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 226 of the 131st G.A.

**Date:** November 13, 2015

**Status:** As Introduced

**Sponsor:** Sen. Seitz

**Local Impact Statement Procedure Required:** No

**Contents:** Modifies the Debt Adjusting Law by expanding the definition of debt adjusting and makes other changes

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.
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### Detailed Fiscal Analysis

The bill modifies the Debt Adjusting Law by expanding the definition of debt adjusting. Currently, debt adjusting means doing business in debt adjusting, budget counseling, debt management, debt pooling service, or holding oneself out as providing services to debtors. Specifically, this involves: (1) effecting the adjustment, compromise, or discharge of any indebtedness of the debtor, or (2) receiving from the debtor and disbursing any money or other thing of value to the debtor's creditors. The bill adds that debt adjusting can also mean providing services to debtors in the reduction or elimination of the amount or repayment terms of their debt. Additionally, the bill adds that debt adjusting services includes obtaining an adjustment of an interest rate on a debt, a waiver or reduction of fees or charges, or a discharge of debt by reducing the principal balance of the debt.

Expanding the definition of debt adjusting will not have an effect on public revenues or expenditures. Under requirements of current law, debt adjusters must undergo an annual audit and submit the results and auditor's opinion to the Consumer Protection Section in the Office of the Attorney General. Four debt adjuster companies submitted audits to the Attorney General Office in 2014.