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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 249
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 249's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Lehner

Local Impact Statement Procedure Required: Yes

Philip A. Cummins, Senior Economist, and other LBO staff

Highlights

Fund	FY 2021	FY 2022	Future Years
State General Revenue Fund			
Revenues	Possible loss up to a few million dollars	Possible loss up to a few million dollars	Possible loss up to a few million dollars per year
Expenditures	\$0	\$0	\$0
Local Government and Public Library funds (counties, municipalities, townships, and public libraries)			
Revenues	Possible loss up to tens of thousands of dollars	Possible loss up to tens of thousands of dollars	Possible loss up to tens of thousands of dollars per year
Expenditures	Commensurate decrease	Commensurate decrease	Commensurate decrease
State capital funds; political subdivisions (counties, municipalities, and townships)			
Revenues	\$0	\$0	\$0
Expenditures	Potential increase in construction costs	Potential increase in construction costs	Potential increase in construction costs

Note: The state or school district fiscal year runs from July 1 through June 30 and is designated by the calendar year in which it ends. For other local governments, the fiscal year is identical to the calendar year.

- The bill might result in personal income tax revenue losses ranging from a few hundred thousand dollars to a few million dollars per year. Sufficient data are not available to estimate the cost more precisely.
- The state and local political subdivisions will incur additional costs to include restrooms with adult changing tables in new facilities or ones undergoing major renovations. The cost of adult changing tables can range significantly, from a few hundred dollars to nearly \$10,000 per unit. There would also be some costs for placing and installing the equipment in an enclosed space as required under the bill.
- The total added cost that the state and local political subdivisions incur for complying with the bill ultimately depends on the number of buildings that are constructed or modified with major renovations after the bill's effective date.

Detailed Analysis

Building costs for state and local governments

The bill will increase building costs for the state and local political subdivisions. The bill requires Ohio's Board of Building Standards to adopt rules specifying that new buildings and major building renovations include at least one restroom with an adult changing table, if the buildings are used for assembly purposes. Under the bill, major building renovations are those that cost at least \$50,000 and totally remove nonstructural interior walls, floor and ceiling finishes, and certain utility systems. A building or part thereof is used for assembly purposes if its use conforms to assembly usage as adopted by rule under R.C. 3781.10(A) (not part of the bill). A list of such buildings is included as an appendix at the end of this fiscal note.

Information gathered by the Legislative Budget Office (LBO) from adult changing table manufacturers show that prices for this equipment vary significantly, from a few hundreds of dollars to nearly \$10,000. In addition to the cost of buying the changing tables, the state and local political subdivisions would also bear the cost of installation and ensuring that the equipment is put in an enclosed space in the restroom as specified under the bill. This may require additional square footage to accommodate the equipment. If additional square footage is needed, building costs may increase for the state and local political subdivisions. Such building costs include those for additional doors, more walls and flooring, and so forth. Cumulatively, the total public cost for complying with the bill's requirements will depend on the number of buildings used for assembly purposes that are constructed or modified with a major renovation by the state or local political subdivisions after the bill's effective date.

Nonrefundable tax credit

The bill would allow a nonrefundable credit against the state personal income tax for the cost of purchasing and installing an adult changing table in a taxpayer's place of business. The credit may be claimed by a taxpayer required to install such a table, or by an equity owner of a pass-through entity subject to this requirement for the owner's proportionate or distributive share of the credit. The credit is limited to the lower of \$250 or the cost of buying and installing the table. Only one credit may be claimed per place of business. The credit is to be claimed for the tax year when the table is installed. The credit could be claimed for tax years ending on or after the bill's effective date if enacted.

An estimate of the annual personal income tax revenue loss from the bill could be derived as the product of the number of such buildings that will be newly constructed or will undergo major renovations throughout the state each year times \$250. LBO does not, however, know of publicly available data for the numbers of such projects. Construction accounted for more than \$25 billion of Ohio gross domestic product in 2018, and employed more than 200,000 workers in the state, including more than 100,000 on nonresidential construction projects. Some portion of the latter worked on structures for assembly. Clearly such construction plays a big role in the state's economy.

If construction of one new assembly building or other structure, or a major renovation, is undertaken each year for every 1,000 Ohioans, then more than 10,000 such projects would be undertaken yearly.¹ Based on this estimate, the bill draft has the potential to result in a revenue loss ranging into the low single-digit millions of dollars per year. Alternatively, if 20,000 construction industry employees work on assembly type projects, and the average project requires 20 person-years of labor, then on average 1,000 projects would be built each year, implying a revenue loss in the low hundreds of thousands of dollars.² These conjectures obviously are very rough, so are no more than approximations to what the actual revenue loss might be from new construction and major renovations. Construction activity varies widely with the business cycle and revenue losses would be similarly highly variable from year to year.

The revenue losses from the bill draft would reduce distributions to the Local Government Fund (LGF, Fund 7069) and the Public Library Fund (PLF, Fund 7065), by 1.68% and 1.70%, respectively, of the aggregate revenue loss in the current biennium under uncoded provisions of H.B. 166 of the 133rd General Assembly. Starting July 1, 2021, the LGF and PLF are each to receive 1.66% of GRF tax revenue under codified law. The balance is retained by the GRF.

¹ The state's population was estimated by the U.S. Bureau of the Census at 11.7 million as of July 1, 2018.

² A person-year as used here is, for example, one construction worker employed on the project for a full year, or two workers each employed on average for half a year. Note that a \$50,000 major renovation is part of a person-year plus the cost of materials; the average annual wage of a construction trades worker in 2018 was \$49,850, according to U.S. Bureau of Labor Statistics data.

Appendix

Ohio's Administrative Code, Chapter 4101:1-3, classifies buildings and structures into ten overall categories according to their uses, one of which is assembly by the public, to which the requirements of the bill appear to apply. Types of buildings included in the assembly category and listed in the Ohio Administrative Code are shown in the following table.

Types of Structures in Ohio Administrative Code 4101:1-3, Assembly Group

- Motion picture theaters
- Symphony and concert halls
- Television and radio studios admitting an audience
- Theaters
- Banquet halls
- Casinos (gaming areas)
- Nightclubs
- Restaurants, cafeterias, and similar dining facilities (including associated commercial food service establishments)
- Taverns and bars
- Amusement arcades
- Art galleries
- Bowling alleys
- Community halls
- Courrooms
- Dance halls (not including food or drink consumption)
- Exhibition halls
- Funeral parlors
- Gymnasiums (without spectator seating)
- Indoor swimming pools (without spectator seating)
- Indoor tennis courts (without spectator seating)
- Lecture halls
- Libraries
- Museums
- Places of religious worship
- Pool and billiard parlors
- Waiting areas in transportation terminals
