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S.B. 44
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House State and Local Government

Primary Sponsor: Sen. Brenner

Local Impact Statement Procedure Required: No

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Highlights

Electronic occupational license applications

- The Department of Administrative Services (DAS) will likely incur new costs of between \$2.0 million and \$3.0 million annually as a result of increased use of the state's electronic licensing system.
- Costs incurred by DAS would likely be passed on to the departments of Aging, Commerce, Health, and Public Safety, and the Ohio Athletic Commission based on each agency's proportionate use of the eLicensing system.

County engineer compensation

- The bill increases salaries for county engineers that, in addition to serving as a county engineer, also have a private practice. Counties could incur costs of up to \$33,000 a year to pay affected county engineers.

Expedited tax foreclosure procedure

- The bill may result in a slight uptick in administrative costs as a result of changes made to the expedited tax foreclosure procedure.

County creation of additional port authority

- The bill allows a county with a population of less than 100,000 and that is already included in the jurisdiction of a port authority to create a second port authority that covers only the county. This change has uncertain fiscal effects which would depend on the structure and operation of the new port authority once created.

Detailed Analysis

Electronic license applications

The bill requires state occupational licensing agencies to accept electronic license applications. Although not specified in the bill, this fiscal note assumes that in order to comply with the requirement, state agencies would use eLicense Ohio, the state's existing electronic licensing platform administered by the Department of Administrative Services (DAS). Under the bill, DAS would likely incur increased costs totaling between \$2.0 million and \$3.0 million per year based on the approximate 523,000 licenses that would be added to the system. Costs of eLicense Ohio are paid from the Occupational Licensing and Regulatory Fund (Fund 4K90).

Most state occupational licensing agencies already use eLicensing. Those that do will likely see little, if any, fiscal effect. However, licensing entities that do not already use eLicensing, including those under the departments of Aging (AGE), Commerce (COM), Health (ODOH), and Public Safety (ODPS), and the Ohio Athletic Commission (ATH), could bear significant new costs if they elect not to use eLicense Ohio and instead develop or purchase and maintain a different type of electronic licensing system.

County engineer compensation

The bill eliminates the compensation schedule applicable to county engineers with a private practice. Instead, the bill subjects all county engineers to the compensation schedule currently applicable to county engineers without a private practice. Continuing law establishes annual salary increases for county engineers totaling 1.75% each year through 2028. As a result, counties whose county engineer has a private practice would incur additional payroll costs of up to roughly \$29,000 in 2024 and increasing to slightly more than \$33,000 per year by 2028.

The bill also permits a board of county commissioners, when the office of county engineer is vacant, to contract with another county's county engineer to perform the duties of county engineer in that county. Under this circumstance, the county engineer would receive supplemental compensation from the contracting county based on the statutory compensation schedule and prorated for the duration of the contract. Although this would increase the total compensation received by the contracted county engineer, there is no fiscal effect for the contracting county, as it would otherwise be paying its own county engineer the same amount during the contracted period. Additionally, the bill prohibits a county engineer from engaging in the private practice of engineering or surveying in a county in which the person is the county engineer or acting county engineer. This change also appears to have no fiscal effect.

Finally, uncodified law in the bill specifies that the salary changes in the bill apply to county engineers whose term of office begins on or after the bill's effective date.

Expedited tax foreclosure procedure

The bill imposes new requirements for direct transfers of foreclosed properties to land banks for political subdivisions under the expedited tax foreclosure procedure in continuing law and may result in slight increases in administrative costs for political subdivisions or land banks. Specifically, the bill requires that, when a political subdivision or land bank acquires property in a direct transfer, the subdivision or land bank must (1) sell the property either at a public auction or through the public solicitation of bids, (2) for three years, keep a record of the property's previous tax delinquency, foreclosure costs, and the costs incurred by the subdivision or land

bank while holding the property, and (3) if the sale price exceeds those total costs, forward the excess proceeds to the county treasurer where the property is located, who will notify the owner. The proceeds are treated the same as excess proceeds from a foreclosure sale: the county will hold the proceeds for three years. If the proceeds remain unclaimed after three years, the funds revert to either the land bank or, if no land bank exists, the county in which the property is located.

County creation of additional port authority

Under current law a political subdivision is prohibited from being included in more than one port authority. The bill creates an exemption for some counties to create a new port authority that encompasses only the territorial jurisdiction of that county under specific conditions. First, the county creating the new port authority must be included in an existing port authority that covers more than one county. The county creating the new port authority must also have a population of 100,000 or less. Cost and revenue implications for an eligible county that creates a new port authority are uncertain and will depend on the structure and operation of the port authority once created.