



Ohio Legislative Service Commission

Russ Keller

Fiscal Note & Local Impact Statement

Bill: H.B. 72 of the 131st G.A.

Date: March 10, 2015

Status: As Introduced

Sponsor: Rep. Conditt

Local Impact Statement Procedure Required: No

Contents: Modifies the laws governing special improvement districts, permits a port authority to create an energy special improvement district, and expands what qualifies as an energy special improvement project

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

H.B. 72 modifies some of the laws governing special improvement districts created for the development and implementation of plans for special energy improvement projects. Under the bill, these districts are renamed "energy special improvement districts." Two of the more notable changes made by the bill are: (1) it permits a port authority to create an energy special improvement district,¹ and (2) it expands current law's scope of qualifying energy projects to include a waste heat recovery project, a hydroelectric project, a water efficiency project, a combined heat and power project, a fuel source conversion project, a cogeneration project, or a biodigester project.²

The bill permits one or more property owners to petition political subdivisions for the creation of an energy special improvement district. The bill also permits a person or persons to petition the board of directors of the port authority that has jurisdiction over the proposed territory of an energy special improvement district for the district's creation. Either petition must be signed by 100% of the property owners in the proposed district. The district must be for developing and implementing plans for special energy improvement projects on nonresidential property.³ To pay for the projects, the participating political subdivisions are to levy a special assessment on all real property in the district. At least one project must be designated for each parcel of real property within the district.

The provisions in H.B. 72 may facilitate the formation of additional special improvement districts, but they have no fiscal effect. The power of political subdivisions to levy a special assessment is limited, due to the 100% agreement threshold required of a petition forming a district. The bill contains a number of other provisions that relate to formation of new energy special improvement districts that, like the provisions described above, have no fiscal effect.

HB0072IN.docx/jc

¹ Port authorities cannot, under current law, create special improvement districts for special energy improvement projects.

² Under continuing law, other qualifying projects are solar photovoltaic projects, solar thermal energy projects, geothermal projects, customer-generated energy projects, and energy efficiency improvements.

³ "Nonresidential" means not classified as residential or agricultural for property tax purposes.