



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 185 of the 131st G.A.  
(LSC 131 1012-4)

**Date:** May 17, 2016

**Status:** In Senate Energy & Natural Resources

**Sponsor:** Sen. Seitz

**Local Impact Statement Procedure Required:** No

**Contents:** Modifies the laws governing special energy improvement projects, lake facilities authorities, and condominium property included in general special improvement districts

### 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

### Special energy improvement projects

S.B. 185 modifies some of the laws governing special energy improvement projects (SEIP). Under the bill, SEIPs are restricted to only those projects that consist of energy efficiency improvements. It specifies that the petition for authorization to develop an SEIP must be filed with the legislative authority of "any municipal corporation or township" in which the property is located. The petition must be signed by 100% of the property owners in the proposed district. At least one project must be designated for each parcel of real property within the district. If the participating political subdivisions approve the petition, they must levy a special assessment on all real property in the district to pay for the projects. The special assessment cannot be levied for more than 30 years from the first day of the year in which the special assessment is first imposed.

The bill permits any municipal corporation or township levying a special assessment for SEIPs to contract with any person, community improvement corporation, political subdivision, state agency, or port authority to develop, finance, manage, or implement part or all of any independent SEIP approved under the bill, and makes this contracting power an authorized purpose of port authorities. S.B. 185 expressly permits port authorities having jurisdiction over the parcel upon which the

independent SEIP or SEIPs are proposed to be developed and implemented to provide financing to pay or reimburse the costs of independent SEIPs.

The provisions in S.B. 185 may facilitate the formation of additional SEIPs for energy efficiency, but the bill does not permit the formation of SEIPs for renewable energy projects. 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 SEIPs that, like the provisions described above, have no fiscal effect.

### **Condominium property in general special improvement districts**

The bill provides a special voting process regarding a general special improvement district that includes condominium property. A special improvement district (SID) is an area of land within which property owners pay an additional tax or fee designated for specific services or improvements within the district's boundaries. Under existing law, they can be created when a majority of owners of real property within the proposed SID petition the legislative authority in order to create a SID. The bill provisions do not have a fiscal effect on local governments.

### **Lake facilities authorities**

The changes in the bill related to lake facilities authorities have essentially been enacted previously by H.B. 340 of the 131st General Assembly and would therefore have no fiscal effect.