



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** H.B. 277 of the 131st G.A.

**Date:** May 25, 2016

**Status:** As Enacted

**Sponsor:** Rep. Brenner

**Local Impact Statement Procedure Required:** No

**Contents:** To authorize a territory to impose a 9-1-1 system levy in only the portion of the political subdivision that would be served by the 9-1-1 system, and to declare an emergency

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- The bill's authorization of a 9-1-1 tax levy that applies to portions of a political subdivision does not have a direct fiscal effect on local jurisdictions unless the voters in a given territory enact the tax levy permitted under H.B. 277.

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### Detailed Fiscal Analysis

Under current law, political subdivisions other than school districts, county school financing districts, and lake facilities authorities may levy property taxes for the purpose of establishing and operating an emergency 9-1-1 system. H.B. 277 permits such a levy to be imposed in all or a portion of the territory of a political subdivision. If the 9-1-1 system to be established and operated with levy funds excludes territory located within the subdivision, the resolution adopted under the bill may describe the area served by the system and specify that the proposed tax would be imposed only in the areas receiving the service. Upon passage of such a resolution, the Board of Elections must submit the question of the tax levy only to those electors residing in the areas in which the tax would be imposed. If the 9-1-1 system would serve the entire subdivision, the resolution cannot exclude territory from the tax levy. The bill contains an emergency clause, so the 9-1-1 levy authorized by H.B. 277 could potentially be submitted as a ballot question as early as the November 2016 election.

According to LSC research, 16 political subdivisions currently levy a property tax to fund the operations of a 9-1-1 system. All 16 subdivisions are Ohio counties, and LSC surveyed these counties asking whether any territory in the county does not receive service from the county's operation of a 9-1-1 system (refer to map below). Although

H.B. 277 will not affect existing levies, these 16 counties may submit a ballot question under the terms of the bill if H.B. 277 is enacted. As of May 2016, LSC identified only two counties – Delaware and Union – that have territory not served by the county's 9-1-1 system. However, four counties (including Delaware) did not reply to LSC's survey, so it is possible that more than two counties have unserved territories.

Excluding the Dublin municipal corporation territory from Union County's 9-1-1 system tax base would reduce Union County's levy receipts by approximately \$85,000 per year because the property values in the city of Dublin represent about 8% of the total valuation for Union County. The revenue loss would be permissible because the voters must approve this type of levy at a future election.

Delaware County did not respond to the LSC survey, but information on the Ohio Department of Taxation's Tax Year 2015 Property Tax Rate Abstract suggests the Delaware County 9-1-1 system levy is not being applied to taxing districts within the county that are municipal territories of Columbus, Dublin, and Westerville. Therefore, the actual collections of Delaware County would not be impacted by any potential levy authorized by H.B. 277.

The bill specifies that a ballot initiative authorized by H.B. 277 can be regarded as a renewal levy if the county already has an existing 9-1-1 levy. This provision allows electors to continue to receive the benefits of the 10% and 2.5% rollbacks linked to their current 9-1-1 system levy. H.B. 59 of the 130th General Assembly limited the application of the 2.5% and 10% real property tax rollbacks by specifying that the rollbacks may not be applied to reduce the taxes due on new or replacement levies approved at elections held after September 29, 2013. The 9-1-1 operating system levies in 13 of the 16 counties still qualify for these rollbacks (exceptions being Harrison, Paulding, and Putnam counties).

## 9-1-1 System Levies

