



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 482 of the 131st G.A.

Date: June 21, 2016

Status: As Introduced

Sponsor: Rep. Dever

Local Impact Statement Procedure Required: Yes

Contents: Changes law governing calculation of exempt value of specified real property and explicitly authorizes filing of a complaint challenging tax-exempt value

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- A change in how tax-exempt value is calculated for a remodeling in a Community Reinvestment Area may result in loss of local property tax revenue.
- Valuing the partial tax exemption on remediated brownfield property from the beginning of the year in which environmental remediation began to each of the ten years for which the tax exemption lasts may increase local property tax revenue loss.
- The effect of allowing complaints to be filed with the county auditor against valuation of a parcel wholly or partly on the county auditor's list of exempt property, including allocation of value between exempt and taxable, appears uncertain. The change might lead to tax revenue losses.

Detailed Fiscal Analysis

The bill amends law pertaining to tax-exempt value of property in a Community Reinvestment Area and of brownfield property, and authorizes filing of a complaint regarding assessed value of tax-exempt property.

The bill changes the determination of tax-exempt value for a remodeled structure in a Community Reinvestment Area, from the amount by which the remodeling increases the value, to the value increase after the start of remodeling regardless of the reason for the increase. This change has the potential to increase loss of local property tax revenue, by increasing the amount of property value that is tax exempt.

The bill amends law granting partial tax exemption for real property that is contaminated ("brownfield property") and is deemed to have successfully undergone remediation, by setting the starting point for measuring the increase in value to be exempt from tax as the beginning of the year in which environmental remediation began. The exempt value is determined as the increase in the value of the property from that in the year remediation began to that in each of the ten years for which the tax exemption lasts. This specification clarifies law on this subject, and may result in greater tax revenue loss for local governments, depending upon the interpretation attached by a county auditor to the wording being amended by the bill.

The bill adds a filing against the determination of the valuation of any parcel that wholly or partially appears on the county auditor's list of exempt property, other than public utility property valued for tax purposes by the Tax Commissioner, to a list of types of complaints that may be filed with the county auditor. The complaint may include the allocation of valuation between land and improvements or between the valuation on the exempt list and the tax list. Under continuing law, unchanged by the bill, a complaint may be filed with the county auditor against a determination of value of any parcel on the tax list, other than public utility property valued by the Tax Commissioner. The effect of the change appears uncertain, but could result in complaints seeking to allocate more valuation to the exempt list, which might lead to tax revenue losses.