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H.B. 101
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 101's Bill Analysis](#)

Version: As Re-referred to Senate Finance

Primary Sponsors: Reps. Schmidt and Bird

Local Impact Statement Procedure Required: No

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Highlights

- The bill consolidates the village dissolution process through a new Transition Supervisory Board, potentially yielding some cost savings for the townships absorbing the assets and liabilities of the dissolving village.
- The bill reduces the maximum tax rate from 3.5% to 2% of a special lodging tax that finances and promotes a convention center in Ashtabula County. The current rate levied by the county is 2%. The bill specifies that the lodging tax proceeds must be used in their entirety to fund the operations and maintenance of detention facilities rather than a convention center.
- The bill increases the competitive bidding threshold for villages from \$50,000 to \$75,000, and provides an increase of this threshold of 3% beginning in calendar year 2025.
- The bill specifies that Geauga County, rather than the city of Chardon, be responsible for the prosecution of cases in the unincorporated area of the county. As a result, the city of Chardon could see some minimal savings and Geauga County could see some minimal cost increases for prosecuting these cases.
- The bill modifies the F-9 permit to expand the eligible applicants to include nonprofits that provide entertainment programming at a municipal park, instead of just nonprofits that operate on park property. The bill does not make any changes to the population requirements to obtain an F-9 permit. The permit fee is \$1,700.

Detailed Analysis

Village dissolution

The bill modifies the process for concluding the affairs of a dissolved village through the creation of a Transition Supervisory Board, which must appoint a receiver-trustee to conduct these duties. The bill does not, however, affect the three current-law processes used to initiate dissolution, except for altering when a village dissolution question can appear on the ballot by requiring it to appear on the ballot only during a general election in an even-numbered year. Furthermore, the bill specifies that a petition is only valid if filed during an even-numbered year on or after July 1, and at least 90 days before the next general election. This change precludes a special election for this purpose, resulting in some election cost savings in cases where the vote on dissolution is otherwise the only issue on the village ballot. This is because, under current law, the entire cost of holding a special election held on a day other than the day of a primary or general election, both in odd-numbered or in even-numbered years, is charged to the subdivision holding the election.

Under the bill, a Transition Supervisory Board consists of the county auditor, a member of the board of county commissioners, the county recorder, and either a trustee or fiscal officer from each impacted township as nonvoting members. By consolidating oversight of the dissolution under a Transition Supervisory Board, along with the appointed receiver-trustee, it is possible that townships taking over the territory of a dissolving village could see some administrative costs savings. The county offices represented on the Transition Supervisory Board might, however, see some increased costs for their roles in overseeing village dissolution.

Under the bill, a Transition Supervisory Board and the appointed receiver-trustee would be responsible for managing the various aspects of the village dissolution. This includes the collection of taxes, resolution of debts, distribution of property, continuity of utility services, handling of public records, and various other matters. A village representative, and the individuals serving as the fiscal officer and primary legal counsel before the village dissolved, are required to provide consultation to the Board. These responsibilities are largely unchanged with respect to the requirements of village dissolution overall. However, consolidating oversight of a village dissolution under a Transition Supervisory Board and appointed receiver-trustee could streamline the process for townships absorbing dissolved villages in two areas: collection of municipal taxes and disposition of outstanding village debts. Facilitating these efforts through the Transition Supervisory Board could reduce the administrative costs to the applicable township fiscal officer associated with the transition.

The bill also specifies that the Transition Supervisory Board and receiver-trustee are liable for any findings for recovery and other citations resulting from the Auditor of State's (AOS) final audit that occurs as part of the village dissolution process. In these cases, the individuals who commit actions leading to a finding of recovery must pay the amounts identified as recoverable.

Other provisions

Ashtabula County lodge tax

The bill reduces the maximum rate from 3.5% to 2% of a special lodging tax that finances and promotes a convention center operated by a convention facilities authority. The bill restricts this provision to a county with a population less than 700,000. Only Ashtabula and Hamilton

counties levy this particular tax, and Ashtabula is the lone county that meets the population requirement. The bill further stipulates that the special lodging tax proceeds must be used in their entirety to fund the operations and maintenance of detention facilities rather than a convention center.

Currently, the Ashtabula County Convention Facilities Authority (CFA) levies a 2% special lodging tax. The only facility administered by the CFA is the Lodge & Conference Center at Geneva State Park (the “Lodge”). Previously, Ashtabula County issued debt used to refinance the Lodge, and the CFA contributed a significant share of its lodging tax receipts to the county to cover annual debt service payments. H.B. 45 of the 134th General Assembly appropriated nearly \$14 million to Ashtabula County in order to retire any outstanding debt obligations on the Lodge.

Under the bill, the Ashtabula CFA is prohibited from increasing the current rate on its special lodging tax and further redirects the money – nearly \$0.6 million in recent years – to fund detention facilities.

Ashtabula County CFA		
Category	2022	2021
Receipts from 2% Special Lodging Tax	\$586,865	\$524,880
Contributions to cover debt service	\$539,438	\$485,141

Source: Ashtabula County Convention Facilities Authority, [Regular Audit](#), for the year ending December 31, 2022

Village competitive bidding

The bill increases the competitive bidding threshold amount for villages from \$50,000 to \$75,000. It also provides that this \$75,000 limit will increase by 3% each year, beginning in calendar year 2025. The increase in the village competitive bidding threshold may result in fewer projects being bid, thereby reducing the administrative costs associated with the bidding process. The impact to overall contract costs, however, is uncertain.

Geauga County prosecutions

The bill requires the Geauga County prosecuting attorney to prosecute all violations of state law arising within the unincorporated areas of Geauga County, with other criminal prosecutions being handled in accordance with relevant sections of law. This adds Geauga County to the list of 13 other counties with this arrangement. The cases impacted by this provision would otherwise be handled by the city of Chardon. The total number of cases impacted by this change appears to be low, with the city of Chardon experiencing some minimal savings, offset by some minimal additional costs to Geauga County for prosecuting these cases.

F-9 permit changes

The bill expands eligibility for an F-9 liquor permit, an existing temporary permit for certain nonprofits holding entertainment events on municipal park property. The current criteria allow these permits only in Franklin County. Broadening eligibility could result in the Department of Commerce’s Division of Liquor Control issuing some additional permits statewide. The permit

fee for an F-9 permit is \$1,700 and is valid for up to nine months. The fee revenue is deposited into the Undivided Liquor Permit Fund (Fund 7066).

Transmission of election results

The bill makes some modifications to the required transmission of election results that do not appear to have significant fiscal effects. Specifically, the bill requires county boards of elections to transmit election results to the Administrative Director of the Supreme Court by email or other electronic means, including the results of county court and municipal court judge elections. The bill further requires the Secretary of State, upon receiving forms with the results for judicial races from county boards of elections, to promptly send each form by email or other electronic format to the Administrative Director of the Supreme Court. Finally, the bill also requires forms showing election results for Governor, members of Congress, and other offices to be emailed to the Ohio Senate President, rather than mailed as under current law. Any costs that county boards of elections or the Secretary of State incur as a result of these changes, if any, are likely to be negligible.