



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 166 of the 131st G.A. **Date:** November 24, 2015
Status: As Reported by House Ways and Means **Sponsor:** Rep. Green

Local Impact Statement Procedure Required: No

Contents: Extends the deadline to file an application for the homestead exemption and makes various changes to required notifications made by county auditors

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The bill eliminates certain required notifications for county auditors. Eliminating these notifications would appear to result in minimal cost reductions for counties.
- The bill eliminates the requirement that county auditors issue licenses and permits for persons intending to "exhibit a natural or artificial curiosity, for a price" and licenses to conduct a public auction to sell new merchandise. This would result in some revenue loss for county general funds, but such losses would appear to be minimal.

Detailed Fiscal Analysis

Homestead exemption filing deadline

The bill extends the filing deadline for the homestead exemption and the 2.5% residential property tax reduction from the first Monday in June to December 31 of the year of the exemption or year to which the reduction applies. The GRF reimburses local governments and school districts for property tax losses incurred by the homestead exemption. By delaying the application deadline to December 31, H.B. 166 is not expanding the eligibility of the homestead exemption.¹ County auditors currently accept late applications for those that became eligible in the prior year. The bill may cause some GRF reimbursements paid on behalf of these late applicants to be pulled forward by one fiscal year, but there is no net effect on state spending.

County auditor notifications, permits and licenses

The bill makes several changes to required notifications made by county auditors. The bill also eliminates some requirements pertaining to certain licenses and permits issued by county auditors. Each of these changes is described more thoroughly below. Overall, it would appear that each of these provisions would result in a reduction of costs to counties, the magnitude of which is uncertain, but likely minimal.

Local Government Fund notifications

The bill eliminates the requirement that county auditors use certified mail to notify local governments of their share of Local Government Fund (LGF) allocations. Instead, county auditors may use ordinary mail or electronic mail. Eliminating the requirement of using certified mail would reduce mailing costs to county auditors.

Certification of interest rates

The bill eliminates a requirement that county auditors notify courts of the interest rate set annually by the Tax Commissioner. Auditors must notify clerks of the court of common pleas, the county court, and each municipal court in the county. The courts are required to post the notice in a conspicuous and public location near the clerk's office. The elimination of this notification and posting would appear to result in some small savings to both county auditors and clerks of courts.

Notice of tax-exempt facility applications

The bill eliminates a requirement that county auditors notify local taxing authorities of pending tax exemption applications for certain kinds of pollution control and energy conversion or conservation property at industrial or commercial facilities.

¹ The three types of applicants for the homestead exemption are (1) senior citizens, who must be at least age 65 by December 31st of the year for which the exemption is sought, (2) disabled persons, who must be permanently and totally disabled on January 1 of the year for which exemption is sought, and (3) surviving spouses of a person who was receiving the homestead exemption.

County auditors are currently required to notify the taxing authorities of such applications and of the estimated value of the exempted taxes and the potential for refunds of already paid taxes. There would appear to be a minimal reduction in costs for making such notifications.

Contractors' certifications of personal property tax payment status

The bill eliminates current requirements that persons who have been awarded a contract by a local government through competitive bidding certify whether the person owes delinquent taxes on tangible personal property taxes used in business when the person submitted the bid. If delinquent taxes are owed, the certification becomes incorporated into the contract.

County auditor-issued permits and licenses

The bill eliminates current requirements governing two forms of permit or license that county auditors are responsible for issuing. The first is a permit required for persons who intend to "exhibit a natural or artificial curiosity, or exhibit horsemanship in a circus or otherwise for a price" in a county. The permit fee for this is between \$25 and \$60 and failure to pay is punishable by a \$100 forfeiture. The second is a license to conduct a public auction to sell new merchandise. This fee is \$10 per day, with failure to obtain the license punishable by a fine of between \$200 and \$1,000 or imprisonment of between 30 and 180 days. A bond is also required in the amount of the new merchandise's value as a surety for the payment of any taxes, judgments, or fines that might become due from conducting the auction. The bill removes the bond requirement as well. Any fee revenue received from these permits and licenses would be deposited into the county general fund. Consequently, this provision of the bill would result in some lost fee revenues for counties, however, the amount would appear to be minimal.