



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Joe McDaniels

Am. H.B. 134

132nd General Assembly
(As Reported by H. State and Local Government)

Reps. Hambley and Kick, Wiggam, Stein

BILL SUMMARY

- Allows revenue from an existing county sales tax raised for community improvements and granted to a school district to be spent outside the county as long as the improvements are within the school district.
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CONTENT AND OPERATION

The bill creates an exception to the general rule requiring revenue derived from a county sales and use tax that funds grants for permanent improvements to be spent only on projects located within the county. Under the bill, grants for school districts may be spent for projects outside the county so long as the improvements are within the school district and a part of the school district is within the county. The exception applies only to grant revenue derived from existing sales and use taxes levied on the bill's effective date.

County sales and use tax for community improvements

Under continuing law, a county may levy a local sales tax (and a corresponding use tax) at a rate of up to 0.5% for certain purposes specified by state law. One of those purposes is to fund grants for local governments or the state for their permanent improvement projects, which, generally, include buildings and other real property improvements and tangible personal property having at least a five-year lifetime.¹ Such a tax may be levied for a specified number of years or for a continuing period of time. The tax is subject to voter approval.²

¹ R.C. 307.283.

² R.C. 5739.026(A)(4) and (D).

The grants are administered by a community improvements board which must be created by the board of county commissioners that imposes the tax. It has nine members – six appointed by the board and three appointed by the mayor of the most populous municipal corporation in the county – and must include at least one mayor and one township trustee.³

Currently, all permanent improvements funded by community improvements board grants must be located in the county. The school district exception applies only to a tax levied on the bill's effective date and only if the exception is not inconsistent with the resolution that authorized the levy or the ballot language approved by voters.⁴

HISTORY

| ACTION | DATE |
|----------------------------------|----------|
| Introduced | 03-21-17 |
| Reported, H. State & Local Gov't | 05-16-17 |

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³ R.C. 307.282, not in the bill.

⁴ Section 3.

