



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 124 of the 132nd G.A.

**Status:** As Reported by Senate Ways & Means

**Sponsor:** Reps. Brenner and Carfagna

**Local Impact Statement Procedure Required:** No

**Subject:** Authorizes a joint vocational school district to submit a property tax question to parts of its territory, and allows a county to levy a property tax for both capital and operating purposes

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### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- Allows a joint vocational school district (JVSD) to seek voter approval of a levy omitted from ballots in error.
- If the levy is submitted for such a vote, may result in an increase of an estimated \$7.5 million in annual tax revenues to the JVSD.
- Exempts the JVSD from a requirement in section 3501.17 of the Revised Code that it pay a share of the election's costs, effectively requiring the counties involved to bear the costs.
- Allows a county to levy a property tax for both capital and operating purposes.
- Declares an emergency so would go into effect immediately.

### Detailed Fiscal Analysis

The bill would allow a joint vocational school district (JVSD) to resubmit a renewal tax levy for voter consideration in counties where it was inadvertently left off of November 2015 ballots, and would allow a county to levy a property tax levy, subject to voter approval, that would provide for both construction and operation of a criminal justice facility.

#### Joint vocational school district provision

At the November 2015 general election, the Delaware Joint Vocational School District Board of Education caused renewal levies totaling 1.7 mills (gross rate) to be placed on the ballot. The levy question appeared on Delaware County ballots, but erroneously was not on ballots in other counties in which portions of the district are located: Franklin, Marion, Morrow, and Union. The Tax Commissioner excluded the levy from the list of tax rates certified for collection. The Ohio Supreme Court upheld

this decision by the Commissioner, because the levy was not submitted to all voters eligible to vote on it.

The bill exempts the JVSD from a requirement in section 3501.17 of the Revised Code that it pay a share of the election's costs. This would effectively require the counties involved to bear the costs, but the JVSD was reported to have agreed to pay these costs.

The Delaware County JVSD (also known as the Delaware Area Career Center) as of 2015 had as its tax base real and public utility tangible personal property with taxable value of about \$5.6 billion. The levies that the entity's board sought to renew in November 2015 would have raised about \$7.5 million per year, as shown in the table below. If enacted, the bill would restore this revenue to the district.

<b>Delaware County JVSD Tax Year 2015</b>				
	<b>Class I Real Property</b>	<b>Class II Real Property</b>	<b>Public Utility Personal Property</b>	<b>Total</b>
Valuation (\$ millions)	\$4,623	\$687	\$271	\$5,581
Effective Rate (mills)	1.313	1.346	1.700	
Tax (\$ millions)	\$6.1	\$0.9	\$0.5	\$7.5

### **Criminal justice facility provision**

The bill would change permanent law to allow a county to levy a property tax, subject to voter approval, for both of the following purposes as a single ballot question: (1) to pay debt charges for the acquisition, construction, enlargement, renovation, or maintenance of a criminal justice facility and (2) to pay the operating expenses associated with the facility and other criminal justice services. It would also permit the submission of such a tax levy question to the voters of a county at the November 2017 general election if the resolution is submitted to the county board of elections within seven days after the act's effective date.

This provision of the bill would allow Meigs County, and possibly other counties, to put such an issue on the ballot at the upcoming November election. It would allow a permissive revenue increase and associated increases in spending.

### **Timing**

The bill's fiscal effects would be immediate because it includes an emergency clause.