



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

H.B. 327

130th General Assembly
(As Introduced)

Reps. Burkley, Boose, Brenner, Hayes, Roegner, Stebelton, Wachtmann

BILL SUMMARY

- Requires interest income on moneys collected from county water and sewer district special assessments and from interest on those assessments to be used only for water and sewer district purposes.
- Prohibits counties from depositing interest income on special assessments and interest collections in the county general fund.

CONTENT AND OPERATION

County water and sewer assessments

The bill requires that all interest income on moneys collected from assessments and from interest on assessments levied under the County Water Supply Systems Law¹ and the Sewer Districts/County Sewers Law² to be applied to the purposes for which the assessments have been made. Presumably, the interest contemplated by the bill is that arising from special assessment moneys that have been collected and deposited into a fund. The bill prohibits interest income on such assessment and interest collections from being deposited in the county general fund.³

Law not affected by the bill requires that all assessments when collected, *together with all interest thereon*, must be applied respectively to the purposes for which the assessments have been made and to no other purpose. But any installments of deferred

¹ R.C. Chapter 6103.

² R.C. Chapter 6117.

³ R.C. 6103.18 and 6117.35.

assessments collected by the county treasurer after the retirement of bonds issued in anticipation of the collection of the deferred assessments must be allocated to the several county funds in proportion to their respective contributions to the retirement and discharge of the bonds.⁴ This law appears to require the same treatment of interest as the bill's requirement that interest income on moneys collected from assessments and from interest on assessments be applied to the purposes for which the assessments have been made. This overlapping may create uncertainty as to how the provisions relate.

Under continuing law, a board of county commissioners that establishes a county sewer district may undertake a public water supply improvement, sanitary or drainage facility improvement, or prevention or replacement facility improvement in the sewer district. The board may levy special assessments on benefited property owners to pay the costs of such an improvement or the costs of its maintenance, repair, and operation after its completion.⁵ The assessments that have not been deferred for collection, and interest on deferred assessments, are placed on the tax duplicate of the county for collection as they become due, are collected the same as other taxes, and are subject to the same penalties and interest.⁶

The interest collections to which the bill applies appear to be the following:

(1) Interest on the unpaid balance of an assessment that is paid in installments, when collection of the assessment was deferred at the request of a property owner whose property is classified as agricultural land and has been assessed for the extension of a main water line or of a trunk sewer line to an industrial or residential development;⁷

(2) Interest on an additional assessment levied to pay the cost of the maintenance, repair, and operation of an improvement after its completion;⁸

(3) Interest on a special assessment levied for the costs of disconnections, reconnections, relocations of sewers, combined sewer overflow prevention, or sewer back-up prevention;⁹

⁴ R.C. 6103.16 and 6117.33, not in the bill.

⁵ R.C. 6103.05, 6117.06, and 6117.32, not in the bill.

⁶ R.C. 6103.16 and 6117.33, not in the bill.

⁷ R.C. 6103.052(D) and 6117.062(D), not in the bill.

⁸ R.C. 6103.15 and 6117.32, not in the bill.

⁹ R.C. 6117.012(D)(2), not in the bill.



(4) Interest on all assessments levied for water supply improvements or for sanitary or drainage facilities or prevention or replacement facilities or improvements,¹⁰ including deferred assessments approved by the board of county commissioners;¹¹ and

(5) Interest included in preliminary or additional assessments levied to fund plans of water supply and plans of proposed improvements.¹²

HISTORY

ACTION	DATE
Introduced	10-31-13

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¹⁰ R.C. 6103.06 to 6103.16 and 6117.32 and 6117.33, not in the bill.

¹¹ R.C. 6103.051 and 6117.061, not in the bill.

¹² R.C. 6103.081(C) and (D) and 6117.251(C) and (D), not in the bill.

