



Ohio School Boards
Association

TO: Nelson Fox, Fiscal Division Chief
FROM: Richard Lewis, Chief Executive Officer
Jennifer Hogue, Director of Legislative Services
DATE: September 5, 2018
RE: **2018 FISCAL IMPACT STATEMENT REPORT**

The Ohio School Boards Association (OSBA) is pleased to take advantage of the opportunity to review the 2018 Local Impact Statement Report on bills enacted in 2017. The Legislative Services Commission (LSC) report to the Ohio General Assembly and to the general public on the fiscal impact of certain specific bills is a valuable service.

The 2018 Local Impact Statement Report highlights six bills enacted during 2017 that require local impact statements. Three of the six bills have potentially negative fiscal impact on the level of revenues available to support public school districts. These three bills are House Bill (HB) 69, HB 118 and Senate Bill (SB) 9.

OSBA strongly believes and reiterates its longstanding desire to see even more bills subject to having fiscal impact statements prepared. This is particularly true for omnibus bills, such as the biennial budget bill and mid-year budget bills. We do, however, appreciate the opportunity to review and comment on these specific bills.

HB 69 makes changes to the law regarding property tax exemptions that can be extended to businesses within enterprise zones. The retail facilities exclusion within the enterprise zone generally prohibits a business engaged in primarily retail sales from being included in the enterprise zone unless the city and impacted school district waives the exclusion. HB 69 specifies that a school district can waive the exclusion on a business by business basis. This change increases the flexibility that school districts have with regard to enterprise zones and retail businesses.

HB 118 prohibits the dismissal of a property tax complaint for failure to correctly identify the property owner. This could result in revenue gains or losses for school districts depending on the circumstances involved in any given complaint.

SB 9 creates a three-day sales tax holiday, beginning the first Friday in August 2017. The sales tax holiday will exempt clothing sales up to \$75, and school

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supplies and school instructional materials up to \$20. This change is estimated to reduce state sales tax revenue to the general revenue fund (GRF) by up to \$14.7 million in FY 2018. While funding for school districts is not directly impacted, any reduction in the GRF will have real implications for the total dollars available for state support of public education.

Taken together, the tax exemptions and credits made available through individual bills continue the trend of lower and lower state revenues available to support common and public purposes, including the education of Ohio's children. Appropriate funding for the education of Ohio's children is an ongoing concern for boards of education and should be shared by all of Ohio citizens.

Once again, OSBA wishes to express appreciation to the Legislative Service Commission for its hard work and diligence on this important task. We look forward to working with you now and in the future.