

Bills with Altered Impact

This section describes bills passed in 2000 that became law and were altered during the legislative process, so that the “As Enacted” impact on local governments was different from the “As Introduced” local impact.

Out of the 196 bills enacted in 2000, five bills were altered after the initial determination so that they no longer had a local impact “As Enacted.” Six bills with no impact “As Introduced” were altered so that they did have a local impact “As Enacted.”

Table 5 demonstrates these results compared to previous years. Overall the number of bills with an altered impact is larger in 2000, compared to the past years’ figures.

Table 5: Local Effects Changing from Introduction to Enactment 1997-2000

	1997	1998	1999	2000	Total
Bills altered so that certain elements, which prompted a “Yes” local impact determination, were eliminated from the enacted bill.	2	5	2	5	14
Bills with a “No” local impact determination altered so that the changes made created a fiscal impact on local governments.	0	2	4	6	12

Over the past four years, the number of bills that were changed from a “Yes” local impact determination is slightly higher than the number of bills that were changed from a “No” local impact determination. Fifty-four percent of the bills, whose impact changed, were altered so that they did not have a local impact “As Enacted.”

In 2000, five bills were introduced with a local impact, but the enacted version of the bill did not have a local impact. These bills are HB 383, HB 529, SB 180, SB 200 and SB 218. Six bills were introduced with no local impact, but “As Enacted” the bills are estimated to have a local impact. These bills are HB 138, HB 262, HB 559, HB 599, SB 141, and SB 161.

Presentation of 2000 Bills with an Altered Impact

“Yes” to “No”

BILL	Page
➤ Am. H.B. 383 -----	15
➤ Sub. H.B. 529 -----	17
➤ Am. Sub. S.B. 180 -----	19
➤ Sub. S.B. 200 -----	21
➤ Sub. S.B. 218 -----	23

“No” to “Yes”

BILL	Page
➤ Am. Sub. H.B. 138 -----	25
➤ Sub. H.B. 262 -----	27
➤ Sub. H.B. 559 -----	29
➤ Sub. H.B. 599 -----	31
➤ Sub. S.B. 141 -----	33
➤ Am. Sub. S.B. 161 -----	35

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

House Bill 383

Bill Contents :	Allows school districts to change the admission date for kindergartners and first graders from September 30 to August 1
“As Introduced” LIS Determination:	Yes
“As Enacted” local impact:	No – Permissive
Key changes affecting local impact:	Permits a school district to choose whether to adopt a resolution that changes the admission date for kindergartners and first graders from September 30 to August 1.
Fiscal effects of changes:	Reductions in revenues and expenditures are dependent on enrollment.

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

The “As Introduced” version of H.B. 383 required the admission date for kindergartners and first graders from September 30 to August 1. This change would have occurred over a two-year phase-in period. Since this change was required, the state would have had substantial savings and the school districts would have had decreases in revenues and possible reductions in expenditures depending on the enrollment in that particular school district.

The “As Enacted” version of H.B. 383 included an amendment that changed the language from a mandatory change to a permissive change in admission date. The two-year phase-in period was eliminated and school districts can now decide individually whether to adopt a resolution to move the admission date for kindergartners and first graders from September 30 to August 1. There will still be varying decreases in revenues and possible reductions in expenditures depending on enrollment in a given district, but districts are not required to change the admission date.

LSC fiscal staff: Sara Doddy, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

House Bill 529

Bill Contents:

Increases the cap on the amount of reimbursement that a person may receive for treatment of a rabies bite and generally limits reimbursement payments to injured persons who cannot, without deprivation of basic needs, provide for the payment of the treatment expenses themselves

“As Introduced” LIS Determination:

Yes

“As Enacted” local impact:

No, permissive

Key changes affecting local impact:

With the change in wording from “shall” to “may,” a board of county commissioners is given permissive authority over the provision of payment of the medical expenses associated with bites or injuries that have the potential to result in rabies such that reimbursements are limited to injured persons who cannot, without deprivation of basic needs, provide for the payment of the treatment expenses themselves.

The monetary cap on the amount of money that may be charged against a county’s budget per bite or injury is increased from \$200 to \$1500.

Fiscal effects of changes:

By changing reimbursement payments from mandatory to permissive, the bill as enacted gives counties more control over their costs.

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

Counties could have increased expenditures if they chose to reimburse individuals bitten by rabid or potentially rabid animals. The bill increases the maximum reimbursement amount possible from \$200 to \$1,500. The cost of post-exposure (PEP) medication is about \$1,500 for an adult person. Most counties would likely have little or no increase in expenditures, particularly because the bill makes reimbursement permissive and contingent upon the injured party showing that he or she would face a “deprivation of basic needs” if required to pay the medical expenses resulting from the bite of a rabid animal. For counties that do have expenditures, the amount would likely be small due to the low number of cases.

LSC fiscal staff: Carol Robison, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Senate Bill 180

Bill Contents :	Makes changes to the laws governing child support, requires that a child’s parents’ wishes and concerns be considered when determining whether to grant companion or visitation to a person other than the parent, and maintains the right of parents and relatives of a deceased parent of a child visitation or companionship after a stepparent adoption.
“As Introduced” LIS Determination:	Yes
“As Enacted” local impact:	No, minimal cost
Key changes affecting local impact:	The enacted version removes a provision of the bill that would have established an adjustment to reduce the amount of child support based on the amount of time the children are to be in the physical custody of the person required to pay support pursuant to a parenting time order or shared parenting order.
Fiscal effects of changes:	The provision that was removed would have significantly increased the costs borne by county child support enforcement agencies (CSEAs) in administering and enforcing support orders and may have increased the costs of county courts in handling child support cases.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

The introduced bill establishes a parenting time adjustment that would have increased the costs borne by the CSEAs in administering and enforcing such orders. Elimination of that provision removes the significant fiscal impact on the CSEAs that the bill otherwise would have had.

The bill makes several other changes to the law governing child support that may have a fiscal impact on local governments. Depending on the circumstances of each child support case, those changes may increase or decrease child support receipts, resulting in a gain or loss in county revenue generated from the two percent processing fee that the counties receive on all support payments and an increase or decrease in county expenditures and CSEA workload associated with child support enforcement. However, the net effect is likely to be minimal.

LSC fiscal staff: Maria Seaman, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Senate Bill 200

Bill Contents:	Grants liquor permit holders and sellers of tobacco products an affirmative defense against selling these products to an underage person if a transaction scan of a driver's license indicates it is valid
"As Introduced" LIS Determination:	Yes
"As Enacted" local impact:	No
Key changes affecting local impact:	Eliminates a tax credit for taxpayers who purchase or lease transaction scan devices.
Fiscal effects of changes:	The estimated potential revenue loss to local governments of hundreds of thousands of dollars is eliminated.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

The Introduced version of Senate Bill 200 included a tax credit for taxpayers who purchase or lease a transaction scan device. These individuals would have been eligible for a nonrefundable per device tax credit against corporation franchise or personal income tax liability. The Substitute version of SB 200 did not include this tax credit, therefore, the estimated potential loss of hundreds of thousands of dollars to local governments is eliminated.

LSC fiscal staff: Elisabeth Gorenstein, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Senate Bill 218

Bill Contents:	Prohibits a child from consuming, possessing or purchasing tobacco products and subjects offenders to a fine and/or required attendance at a youth smoking education program.
“As Introduced” LIS Determination:	Yes
“As Enacted” local impact:	No, minimal cost
Key changes affecting local impact:	Increased judicial flexibility in sentencing options for offenders under the bill. If smoking education programs are not available, fines can be imposed.
Fiscal effects of changes:	Provisions requiring that youths be sentenced to smoking education programs were removed thereby eliminating county expenditures to create these programs in each court’s jurisdiction. Also, the addition of the \$100 fine in the enacted version could generate revenues for the counties approaching \$600,000 annually statewide.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

Introduced Version: The bill prohibits a child, unless accompanied by a parent, adult spouse or legal guardian, from consuming, purchasing, or possessing tobacco products or papers used to roll cigarettes. Youths in violation of the prohibition would be summoned to appear before a juvenile court. For a first offense, the youth and parent or guardian can, in the clerk of court's office, waive the court appearance in exchange for an agreement, by both the youth and parent or guardian, to attend a youth smoking education program. If the youth opts for the court appearance, and is convicted, the court may require the child to attend the youth smoking education program. For a second offense, the court may require the youth to attend a smoking education program and/or impose a \$100 fine.

The introduced version of the bill is silent on the manner in which the youth smoking programs will be created or the source of the requisite funding. Since the enforcement and adjudication responsibilities would rest with local law enforcement agencies and juvenile courts, this analysis calculates the cost structure for establishing youth smoking education programs at the county level. These programs would most likely be administered in conjunction with county health departments. According to the Ohio Department of Health, there are few (between 5 and 10) local tobacco/health education programs. They are of an ad hoc nature and generally do not utilize certified education programs proven to be effective in reducing rates of smoking. Additionally, many county health departments do not have trained educators on staff. As a result, new youth smoking education programs would need to be created in Ohio's counties. The estimated local cost statewide for future years is \$2,922,930 and would reflect only the educator's salaries, annual training of new smoking program educators, and copying of class materials. These cost estimates assume that all counties will have comparatively equal programs.

Enacted Version: In the final version, children in violation of the bill would be summoned to appear before a juvenile court. The child, accompanied by a parent or guardian, may sign a waiver of appearance before the clerk of a juvenile court and pay a \$100 fine. If the child opts for the court appearance, and is convicted, the court may impose a \$100 fine and/or require the child to attend a court approved youth smoking education program, *if one is available*. Since the youth smoking education program is no longer a mandatory sentence, and becomes a viable sentence option only if one already exists, counties are not faced with the requirement of creating new programs.

Revenue will be generated for counties from fines assessed against child violators. Children are given the ability to waive a court appearance if, accompanied by parent or guardian to the juvenile clerk of courts office, they sign a waiver and pay a \$100 fine. It is difficult to calculate an exact revenue stream, however, it seems reasonable that most offenders would waive their court appearance because they could face the same fine plus the order to attend a youth smoking education program, should one be available, if they opted to appear before the juvenile court. Counties could possibly gain close to \$600,000 annually statewide given LSC fiscal staff's estimate of a maximum 5,893 new citations that could be issued annually in Ohio.

LSC fiscal staff: Joseph Rogers, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

House Bill 138

Bill Contents:	Provides quality assurance for trauma care and makes other changes in the laws regarding emergency medical services and fire services.
“As Introduced” LIS Determination:	No, minimal cost
“As Enacted” local impact:	Yes
Key changes affecting local impact:	Reduces the amount of fines that went to local governments that will instead go to the Child Highway Safety Fund (Fund 4T4) and the Trauma and Medical Services Grants Fund (Fund 83P).
Fiscal effects of changes:	Under current law, 35 percent of fines (approximately \$76,000) stay at the local level. Under Am. Sub. H.B. 138, this 35 percent will instead be deposited to the credit of Fund 4T4. Am. Sub. H.B. 138 also reallocates from counties and municipalities five percent of fines collected from moneys arising from bail forfeited by persons apprehended or arrested by state highway patrol troopers. This totals approximately \$1.2 million per year.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

Child Highway Safety Fund Revenue Gain

The bill directs 100 percent of fine revenue from violations of section 4511.81 of the Revised Code to go to the Child Highway Safety Fund (Fund 4T4) within the Department of Health. Under current law, 65 percent of the fine revenue from the referenced section is deposited into Fund 4T4. In fiscal year 1998, revenue deposited into the state treasury to the credit of Fund 4T4 totaled just under \$141,000. Since this represented 65 percent of total fine revenue, LSC estimates that \$76,000 in fine revenue was collected but not deposited into Fund 4T4. The remaining 35 percent remained at the local level. By directing 100 percent of the fine revenue mentioned above into Fund 4T4, LSC estimates a gain of \$76,000 in Fund 4T4, for an annual total of approximately \$217,000.

The Department uses these moneys to educate the public about child restraint systems, to provide child restraint systems to persons who meet the eligibility criteria established by the Department, and to maintain a toll-free telephone number to provide information to the general public regarding child restraint systems and their proper use.

Trauma and Emergency Medical Services Grants Fund Revenue Gain

The bill provides that 5 percent of total bail forfeiture fine revenue from the Ohio State Highway Patrol goes to the Trauma and Emergency Medical Services Grants Fund (Fund 83P) that previously went to the county or municipality where the prosecution occurred. In fiscal year 1998, the Highway Patrol received a total of \$24,500,000 in fine revenue. This translates into increases of over \$1.2 million for Fund 83P, and a decrease of this amount for counties and municipalities.

LSC fiscal staff: Jeffrey Rosa, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Sub. House Bill 262

Bill Contents :	Prohibits the Department of Taxation from putting social security numbers on the outside of materials mailed to taxpayers and makes technical changes to coal usage tax credit.
“As Introduced” LIS Determination:	No – No Local Cost
“As Enacted” local impact:	Yes
Key changes affecting local impact:	Prohibiting the Tax Department from putting social security numbers on the outside of mailed materials has no local impact. The technical changes to the coal usage tax credit were added to the bill after it was introduced.
Fiscal effects of changes:	Potential decrease of local government funds by \$50,000 to \$100,000 in FY 2003 - 2006.

Analysis of Changes with Fiscal Impact

The bill modifies the Ohio coal tax credit to allow the credit to be taken against additional compliance facilities.

The Ohio coal tax credit was originally created to encourage electric utilities to invest in scrubbing facilities, which would allow them to continue to use Ohio coal and still comply with the phase 1 acid rain control requirements under Title IV of the federal “Clean Air Act Amendments of 1990.” The credit was taken against the public utility excise tax. It was set equal to \$1 per ton of Ohio coal used in a compliance facility. Certain other restrictions also applied. The definition of compliance facility included “a flue gas desulfurization system [i.e., a scrubbing unit] that is connected to a coal-fired electric generating unit and that either was placed in service prior to July 10, 1991, or construction of which was commenced prior to that date”. The phase I requirement took effect on January 1, 1995.

The cumulative amount of the credit taken by a utility was capped at 20 percent of the total cost of the compliance facility. In the past three years the aggregate credit taken against the public utility excise tax was equal to \$16.1 million per year.

The credit was modified by the passage in June 1999, of S.B. 3 and H.B. 384. S.B. 3 (the electric deregulation bill) discontinued the public utility excise tax for electric utilities and transferred the credit to the corporate franchise tax beginning in May 2001. H.B. 384 increased the credit to \$3 per ton, removed the cap, and made certain other modifications to the credit. Abstracting from timing issues related to the transfer of the credit from the public utility excise tax to the corporate franchise tax, these changes were estimated to increase the cost of the credit to a maximum of \$53 million per year - an increase in cost of \$37 million per year. The credit was to end after 5 years.

Sub. H.B. 262 removes the specific references to Phase I of the acid rain control, and it removes the requirement that the compliance facilities either are placed in service prior to July 10, 1991, or that construction on the facilities is commenced prior to that date.

Most of the facilities constructed to comply with the phase I requirements also meet the phase II requirements that are scheduled to take effect January 1, 2000. Beyond that the LBO is not aware at this time of any compliance facilities that have been constructed since 1991 or of any generation facilities that have been retrofitted with scrubbers since that time. Consequently, LBO does not anticipate that the bill's changes will immediately increase the cost of the tax credit beyond that estimated in the fiscal note for H.B. 384.

Scrubbing units are connected to coal-burning power plants, which are typically base-load units. Ohio is likely to need new base load in the not-to-distant future, so that it is possible that such facilities could be constructed in the future. A 500-megawatt unit (a not-unreasonable size) would probably use 100 to 200 million tons of coal per year. Assuming the facility used all-Ohio coal, the credit would amount to \$1 to \$2 million dollars per year. If such a facility were in the planning stage today, it would probably be at least two years before the facility were constructed and utilized and another year before the tax credit could be taken. So the cost of the tax credit would increase by \$2 million per year for three years, at most. (The credit would first be taken in tax year 2002, affecting revenues beginning in FY 2003. With the carry-forward, the cost could be spread out over more years.) That assumes that the other compliance facilities continue to operate and to use Ohio coal in the same proportions as they currently do. If more than one such facility were built, the cost would increase accordingly.

Of the \$1 to \$2 million annual revenue loss, the cost to the state GRF would be \$950,000 to \$1.9 million (95.2%) per year. The cost to the local government funds would be \$50,000 to \$100,000 (4.8%) per year.

LSC fiscal staff: Nickie Ringer, Economist

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

House Bill 559

Bill Contents :	Requires candidates for the Barberton, Cuyahoga Falls, and Toledo municipal court clerk positions to be chosen in a partisan primary, and changes the authority for setting the salary of municipal court clerks in Lorain County, thereby increasing the salary range for these same court clerks.
“As Introduced” LIS Determination:	No
“As Enacted” local impact:	Yes
Key changes affecting local impact:	A provision added to the bill after introduction provides that the clerks of the Lorain county municipal courts are to receive compensation in a sum equal to 85% of the salary of a judge of the court. Previously, only territories with populations of 100,000 or more were bound to pay court clerks a salary equal to 85% of a judge’s salary.
Fiscal effects of changes:	Under the bill, Lorain county, as well as five cities within Lorain county, would share in the respective court clerk’s salary, which is set at an amount equal to 85% of the salary of a judge of the court. As a result, the bill carries increased costs to local governments in the thousands to tens of thousands of dollars for increased payroll and PERS benefits.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

Five municipal courts in Lorain County could be affected by the fiscal change in the enacted version of House Bill 559. Under previous law, Avon Lake, Elyria, Lorain, Oberlin, and Vermillion pay the clerk a compensation as determined by the legislative authority of the city. Under the enacted bill, these five municipalities are required to compensate clerks of courts at a rate of 85% of the judge's salary. The clerk's salary is paid from municipal and county funds at a ratio of three-fifths from the municipality and two-fifths from the county.

Depending on the current salaries set by the respective municipalities, this change could result in a cost increase in the thousands or tens of thousands of dollars for the affected cities and Lorain County.

LSC fiscal staff: Carol Robison, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

House Bill 599

Bill Contents:

Creates the Columbiana County Municipal Court, with two full-time judges, on January 1, 2002, abolishes the Columbiana County County Court and its three part-time judgeships, and replaces the part-time municipal court judge of the Champaign County Municipal Court with a full-time judge to be elected in 2001.

“As Introduced” LIS Determination:

No, offsetting savings

“As Enacted” local impact:

Yes

Key changes affecting local impact:

A provision was added to the bill replacing the part-time municipal court judge of the Champaign County Municipal Court with a full-time judge to be elected in 2001 thereby increasing local expenditures for salary and benefits.

Fiscal effects of changes:

Champaign County’s annual expenses will increase by \$29,807 in order to cover the local portion of the salary compensation and retirement benefits associated with the abolition of one part-time municipal court judge and creation of one full-time municipal court judge. There are no significant additional fiscal effects or other related operational expenses. The full time court plans no changes to clerk staff, bailiffs or the physical court facility itself.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

Introduced Version: Columbiana County's annual expenses will increase by \$12,490 in order to cover the local portion of the salary compensation and retirement benefits associated with the abolition of three part-time county court judges and creation of two full-time municipal court judges. This expense will be offset by \$32,683 in annual savings from elimination of rent obligations on three existing county court facilities and the restructuring of bailiff positions and salaries. The new judges will determine a central location within the geographical jurisdiction of the municipal court. This could result in new construction costs, which are still to be determined, as early as FY 2001.

Enacted version: There were no differences between the fiscal effects of the introduced and enacted versions of the bill on Columbiana County. The difference in the local fiscal effects of the two versions of the bill was the result of a provision added to the bill after its introduction that replaces the part-time municipal court judge in the Champaign County Municipal Court with a full-time judge. As a result, Champaign County's annual expenses will increase by \$29,807 in order to cover the local portion of the salary compensation and retirement benefits associated with the abolition of one part-time municipal court judge and creation of one full-time municipal court judge. Champaign County is not expected to incur any other collateral costs or operational expenses associated with the change in the judgeship; there is no plan to increase clerk staff or bailiffs, nor to make any changes to the structure in which the court is located.

LSC fiscal staff: Joseph Rogers, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Senate Bill 141

Bill Contents:

Transfers authority to permit and regulate Concentrated Animal Feeding Facilities (CAFFs) from the Ohio Environmental Protection Agency to the Ohio Department of Agriculture and alters the permitting process

“As Introduced” LIS Determination:

No – Minimal Cost

“As Enacted” local impact:

Yes – Minimal Cost in “As Introduced” version” could now be higher under the sub. bill

Key changes affecting local impact:

In the “As Enacted” version, the bill states that a review compliance certificate must be issued to an existing CAFF as long as the CAFF is in compliance with the original application requirements. The bill also states that a new major CAFF, expanded existing major CAFF, or expanded existing CAFF must consult with local officials in regards to recommendations for improvements.

Fiscal effects of changes:

Counties and townships may incur higher litigation and court expenditures if an owner or operator of an existing CAFF is issued a review compliance certificate. Higher civil litigation expenses are possible due to nuisance complaints made by aggrieved parties who find that existing CAFFs are not required to upgrade operations. Counties and townships may incur litigation and court expenditures if an owner or operator of a new major CAFF, expanded existing major CAFF, or expanded existing CAFF fails to comply with final recommendation for improvements to local infrastructure.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

The review compliance certificate is issued to existing CAFF operations that are not being modified or expanded in any way. The bill requires that CAFF operations attain a review compliance certificate from the Department of Agriculture within two years after the permitting program is established. The certificates are valid for five years. After the department reviews the existing permit to install, conducts an inspection of the facilities, and determines the operation does not have a negative effect on the environment, a certificate is issued. The department “shall not require a significant capital expenditure before issuing a certificate.” The department may issue an order denying a review compliance certificate if the applicant’s manure management or insect and rodent control plans do not conform to best management practices. If persons are maintaining the facility in accordance with the original application requirements, the department must issue a review compliance certificate. This provision could indirectly lead to increased civil litigation of nuisance complaints made by aggrieved parties who find that existing CAFFs are not required to upgrade operations.

The bill states that rules must be established that deal with the regulation of CAFFs. Rules must be established that deal with guidelines that require owners or operators of new or expanded CAFFs to consult with and work with local officials, including boards of county commissioners and boards of township trustees, in addressing issues related to local government infrastructure needs and the financing of that infrastructure. There is a possibility that counties and townships may incur increased litigation and court expenditures if an owner or operator of a new major CAFF, expanded existing major CAFF, or expanded existing CAFF fails to comply with recommendations for improvements to local infrastructure.

LSC fiscal staff: Wendy Risner, Budget Analyst

Bills Passed and Signed into Law for which Local Impact
Changed from the Initial Determination

Senate Bill 161

Bill Contents :

Establishes a variable college savings program through the Ohio Tuition Trust Authority, provides for a state income tax deduction for saving under both the new and existing programs, makes changes to student loan bonds issued under the Volume Cap, and creates the Ohio Outstanding Scholarship and Priority Needs Fellowship

“As Introduced” LIS Determination:

No – No local cost

“As Enacted” local impact:

Yes

Key changes affecting local impact:

Allows taxpayers to deduct contributions towards tuition credits from their Federal Adjusted Gross Income when computing their Ohio Adjusted Gross Income.

Fiscal effects of changes:

Tax deduction results in income tax losses for the three local government funds (the Local Government Fund, Local Government Revenue Assistance Fund, and Library and Local Government Support Fund). The effect varies based on program participation, but a given fund can lose up to \$340,000 or more if contributions continue to increase over future years.

Bills Passed and Signed into Law for which Local Impact Changed from the Initial Determination

Analysis of Changes with Fiscal Impact

The “As Introduced” version of S.B. 161 authorized the Ohio Tuition Trust Authority to establish a variable college savings program. As introduced, this variable college savings program had no fiscal effect on any of the local government funds (i.e., the Local Government Fund (LGF), the Local Government Revenue Assistance Fund (LGRAF), and the Library and Local Government Support Fund (LLGSF)).

The “As Enacted” version of S.B. 161 included an amendment that established a tax deduction leading to income tax losses for the LGF, LGRAF, and LLGSF. This tax deduction allows taxpayers to deduct contributions made toward tuition credits from their Federal Adjusted Gross Income when computing their Ohio Adjusted Gross Income. The losses for the LGF and LGRAF could amount to \$287,000 or more in future years if contributions to the variable college savings plan continue to increase. The losses for the LLGSF could amount to \$340,000 or more in future years. These losses will vary based on program participation.

LSC fiscal staff: Sara Doddy, Budget Analyst