Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **Sub. H.B. 117** DATE: **March 5, 1997**

STATUS: **As Reported by House Agriculture and Natural Resources** SPONSOR: **Rep. Terwilleger**

LOCAL IMPACT STATEMENT REQUIRED: **No** **Permissive**

CONTENTS: **Authorizes a board of county commissioners to appropriate funds for fair sites without requiring them to submit a levy for amounts over $50,000; allows tax levy on the ballot**

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	Potential increase	Potential increase	Potential increase

- This bill is permissive, any increase in expenditures would be at the discretion of individual counties.

- Most counties likely would not have the funds available to be able to increase the amount appropriated for fair expenditures. Therefore, many counties' expenditures would not change under the bill.

- Currently, approximately one-third of Ohio's counties may have the funds available to allow them to increase appropriations for fair expenditures a minimal or significant amount, and above the $50,000 levy requirement. Any increased expenditures by a county could result in a minimal or significant increase in revenue.

- By exercising the option of putting a tax levy on the ballot, counties could gain revenues for purchasing, maintaining, or improving a fairground.

Detailed Fiscal Analysis

Provisions of the Bill

Currently, Ohio law allows the board of county commissioners, in any county in which there is a duly organized county agricultural society, to appropriate funds for the purchase and/or maintenance of land and/or facilities for fair sites. However, if the proposed expenditures will exceed $50,000 in any year, Ohio law requires the county board of commissioners to submit a tax levy to the county's voters in order to pay for the proposed expenditures.

This bill amends the current law by removing the levy requirement for expenditures above $50,00 in a year. It also authorizes a board of county commissioners to put on the ballot the question of a tax levy for purchasing, maintaining, or improving real estate on which to hold fairs.

Effects of the Bill

- According to an Ohio Department of Agriculture official, in FY 1995, 54 counties appropriated less than $10,000 for fair expenditures and 28 counties appropriated more than $10,000 but less than $50,000. Six counties appropriated at least $50,000 for fair expenditures in 1996. According to a state and a former county official, some counties have found methods for circumventing the current law in order to spend more than $50,000 without submitting a levy. Under the bill, counties that have the funds and are not currently appropriating more than $50,000 could choose to increase expenditures.

- Currently, there are 94 fairs operating in Ohio, excluding the Ohio State Fair. Eighty-seven of the fairs are run by the counties, and 7 are run by independent agriculture societies that often will receive county funds. In FY 1996, an average small fair generated $30,000 in gross receipts, the average medium-sized fair generated over $700,000, and a large fair generated between $1 and $2 million in gross receipts.

- Under this bill, counties that chose to appropriate more than $50,000 in a year to build or improve fair facilities, could potentially increase their revenues a minimal or significant amount if it results in greater attendance and receipts.

- Under the bill, counties would have many of the same options as before; the main difference is that counties could choose to borrow money for expenditures above $50,000, thereby giving counties more flexibility in financing large capital projects for which county commissioners did not want to submit a levy. The cumulative amount borrowed for a particularly large project may be increased. Depending upon short and long term interest rates, annual debt service payments could decrease. However, cumulative debt service payments will increase.

- Counties could gain revenues by the new option provided in the bill to put on the ballot a tax levy for purchasing, maintaining, or improving real estate on which to hold fairs.

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