Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **H.B. 177** DATE: **June 4, 1997**

STATUS: **As Introduced** SPONSOR: **Rep. Jones**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal Cost**

CONTENTS: **To allow county auditors to grant the 2½% rollback presumptively to all owners of residential property**

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Theoretical maximum increase of $20 million	Theoretical maximum increase of $20 million	Theoretical maximum increase of $20 million

- By allowing the counties to grant the 2½% rollback presumptively, there is a potential for a $20 million increase in the rollback if all existing residential property receives the rollback. However, not all property would qualify for the rollback and the cost for qualifying property is expected to be significantly lower.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Minimal Increase	Minimal Increase	Minimal increase

- By requiring county auditors to include with the tax bill notification to residential property owners of their rights to the 2½% rollback, counties would see a minimal increase in costs associated with printing the notifications.

Detailed Fiscal Analysis

This bill requires that county auditors notify residential property taxpayers of the existence of the 2½% rollback and the eligibility requirements of the program. In addition, the county would be permitted to grant the rollback presumptively to all residential property owners. Currently, only owner occupied residential property qualifies for the rollback and a homeowner must apply for the rollback to receive the credit. LBO estimates that 81% of all residential property currently receives the 2½% rollback at a cost of $91 million to the state. It is unknown what portion of the remaining property is eligible for the 2½% rollback and it is not possible to determine eligibility from the information on the tax list. It can be assumed that some homeowners who are entitled to the credit are not receiving it. In addition, if the counties presumptively grant this credit, some property owners who are not eligible will receive the credit. Since it is not possible to estimate what portion of the remaining properties will actually receive the credit, LBO has reported the potential maximum increase in state GRF expenditures assuming every parcel of residential property will receive the rollback. This total of approximately $20 million dollars will not be realized.

❑ *LBO staff: Barbara Mattei Smith, Economist*

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