Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **Sub. H.B. 244** DATE: **May 21, 1998**

STATUS: **As Passed by the Senate** SPONSOR: **Rep. Van Vyven**

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

CONTENTS: **Collection of unpaid household sewage system permit or inspection fees.**

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
Local district health fund			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase
Counties			
Revenues	Potential minimal gain	Potential minimal gain	Potential minimal gain
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

- Although the process of civil action would have a minimal fiscal effect, it is assumed that most health districts would pursue unpaid fees through the procedure for collecting real property taxes. Placing the unpaid fee amount on the general tax list and duplicate should not have a significant effect on expenditures for health districts. It is not known at this time how much revenue in unpaid fees will be realized by each health district.

- Since under the bill owners, leaseholders, or assignees may object to the finding of the health commissioner, there will most likely be minimal increase in activities for county prosecutors. In addition to potential minimal increase in expenses for prosecution, the general fund of the county could receive court costs if the county prevails in its action against the land owner.

Detailed Fiscal Analysis

The bill permits health districts to collect unpaid household sewage system permit or inspection fees, as well as any late penalties, by civil action or by certifying this amount to the county auditor to be placed on the general tax list and duplicate as a lien on real property.

Civil action would require a health district to pay court filing fees, resulting in fee revenue to the county. Any investigation costs would be borne by the health district, as well as any expenditures from bond requirements. Adjudication and prosecution costs from legal representation would also be paid by the health district. Although the process of civil action would have a minimal fiscal effect, it is assumed that most health districts would pursue unpaid fees through the procedure for collecting real property taxes.

The bill provides that if the health district certifies the amount of the unpaid fee, as well as any late penalties, to the county auditor, then the auditor is required to place this amount on the general tax list and duplicate as a lien on real property. According to spokespersons from the County Auditor's Association and the office of the Delaware County Auditor, there could be some administrative cost for some counties, but for most areas, a system is already in place to add information to the general tax list and duplicate. Overall, this process should not have a significant effect on expenditures for health districts. Additionally, it is not known at this time how much revenue in unpaid fees will be realized by each health district.

This version of the bill provides for a thirty-day appeal process. If an owner, leaseholder, or assignee objects to the amount of an unpaid operation permit or inspection fee and any accrued late payment penalties, he or she may notify the health commissioner. If the county prosecutor, acting on behalf of the health commissioner fails to file a civil action in the county court of common pleas, the unpaid fee and penalties are void and cannot be placed on the general tax list and duplicate as a lien against the real property. The fee and penalty is also voided if the action is dismissed with prejudice before adjudication.

If an individual objects to the findings of the health commissioner but the county prosecutor prevails in a civil suit, that person is responsible for paying the costs of the action. These moneys would be deposited into the general fund of the county. The individual would also be required to pay the amount of the fee and any accrued late payment penalties.

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