

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: H.B. 434 DATE: July 22, 1997
STATUS: As Introduced SPONSOR: Rep. Schuring
LOCAL IMPACT STATEMENT REQUIRED: Yes
CONTENTS: Revises the law for Joint Economic Development Districts (JEDD), and creates provisions for Cooperative Economic Development Agreements (CEDA)

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Certain School Districts			
Revenues	- 0 -	Potential loss	Potential loss
Expenditures	- 0 -	- 0 -	- 0 -
Certain Municipalities			
Revenues	-0-	-0-	-0-
Expenditures	-0-	Potential savings	Potential savings

- Potential revenue loss to school districts that collect, or could in the future collect, property tax revenues within certain JEDDs. Currently the only school districts that would be affected are those in Summit and Clark counties with territory located in JEDDs.
- Likewise, certain municipalities with JEDDs could save money by not reimbursing school districts for lost property tax revenues. Currently the only municipalities affected are in Summit and Clark counties with territory located in JEDDs.



Detailed Fiscal Analysis

The bill makes various revisions to JEDD law, the majority of which are permissive in nature. However, the bill would allow certain municipalities and townships creating JEDDs to offer tax abatements. The bill contains a provision that would remove the hold harmless provisions in current law as they apply to school districts impacted by property tax exemptions. Therefore, in certain instances, the bill's provisions could result in lost property tax revenues for certain school districts. Finally, the bill allows municipalities, counties, townships, the state, and certain persons and private entities to enter into CEDAs (Cooperative Economic Development Agreements).

CEDA (Cooperative Economic Development Agreements)

The bill allows municipalities, counties, townships, the state, and certain persons and private entities to enter into CEDAs. These agreements are permissive in nature.

JEDD (Joint Economic Development Districts)

The bill makes many changes to JEDD law, most of which are permissive. One provision, while permissive to the contracting parties, could result in lost revenues to certain school districts. The provision would allow townships and municipalities that are participating in a JEDD created under ORC section 715.70 or 715.71 to grant tax abatements within the JEDD. Further, the bill specifically exempts a municipal corporation participating in a JEDD and levying an income tax from the requirement that it compensate school districts for lost revenues due to property tax exemptions granted by the municipal corporation. Therefore, there is a potential for certain school districts to experience a future revenue loss due to tax abatements granted within JEDDs.

Under ORC sections 715.70 and 715.7, JEDDs may only be formed within counties that have adopted a charter or by areas consisting entirely of municipal owned territory including an airport. The only known areas currently impacted by these statutes are in Summit County and Clark County in a JEDD that includes the Springfield Municipal Airport. Only those school districts that collect property taxes within JEDDs that are created under ORC section 715.70 or 715.71 are potentially impacted by the bill's provisions. In the future it is possible that additional counties could adopt charters or that additional municipal airports could be included in a JEDD. If such occurrences were to happen, there could be additional school districts that would lose revenues.

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