

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Am. H.B. 557 DATE: January 22, 1998

STATUS: As Reported by House Housing and Public Lands SPONSOR: Rep. Core

LOCAL IMPACT STATEMENT REQUIRED: No — Permissive

CONTENTS: Authorizes the conveyance of state-owned real estate to Logan County

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Revenue Fund			
Revenues	Loss of assets of unknown value	-0-	-0-
Expenditures	Potential savings of up to \$40,000 to \$50,000	Potential savings of up to \$40,000 to \$50,000	Potential savings of up to \$40,000 to \$50,000

- The state would lose the value of the eight acres of land and the treatment plant. Although the value of the real estate is unknown, it is known that the U.S. Dept. of Commerce funded the sewage treatment plant's construction in the amount of \$962,000 in 1977.
- The state could indirectly save \$40,000 to \$50,000 in maintenance costs which Honda of America Mfg., Inc. currently funds. Honda of America had previously agreed to cover shortfalls from the treatment plant operation. The \$40,000 to \$50,000 obligation could fall to the state if Honda were to discontinue covering the shortfalls.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
Counties			
Revenues	Gain of assets of unknown value	-0-	-0-
Expenditures	Potential costs of up to \$50,000	Potential costs of up to \$50,000	Potential costs of up to \$50,000

- Logan County would gain the value of the real estate, currently unknown.
- Unless fees for sewage treatment are reevaluated, Logan County may have to cover the financial shortfalls of the treatment plant's operations.



Detailed Fiscal Analysis

This legislation allows for the conveyance of approximately eight acres of state-owned real estate and easements in Zane Township, Logan County to Logan County. The property features the Flat Branch Sewage Treatment Plant, which is operated by the Transportation Research Center, Inc., a non-profit organization affiliated with Honda of America Mfg., Inc. Funding of \$962,000 for the construction of this treatment plant was given in a grant from the United States Department of Commerce in 1977.

Under the bill, the state would lose the value of the real estate and possibly save maintenance costs of \$40,000 to \$50,000 per year. Since the real estate is not known to have been appraised, the value of the property is unknown. The state could indirectly save the operating shortfall of the treatment plant which Honda currently pays. Honda took responsibility of operations of the sewage plant in 1988. The car manufacturing company would prefer not to pay these expenses anymore. If the land is not conveyed, the state could face these costs. Enactment of this bill would transfer this responsibility to the Logan County Commissioners.

As a result of the bill, Logan County would also gain assets and pay the conveyance costs of approximately \$14.

This bill would mutually benefit the state and Logan County, as sewer services would be extended to more residents in the area. Logan County could possibly gain revenues from fees from new customers.

□ *LBO staff: Sybil N. Haney, Budget/Policy Analyst*

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