

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: S.B. 59 DATE: April 16, 1997
STATUS: As Reported by Senate Ways and Means SPONSOR: Sen. Nein
LOCAL IMPACT STATEMENT REQUIRED: No — Minimal cost
CONTENTS: Extends the real property tax prepayment system to all taxpayers and makes other changes to the county treasurer laws

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties (Excluding Cuyahoga)			
Revenues	In excess of \$50,000 gain	In excess of \$50,000 gain	In excess of \$50,000 gain
Expenditures	- 0 -	- 0 -	- 0 -
Cuyahoga County			
Revenues	\$2,400 loss	\$2,400 loss	\$2,400 loss
Expenditures	- 0 -	- 0 -	- 0 -

- Excluding Cuyahoga county, counties will collect a minimum of \$50,000 in returned check fees. This minimum amount assumes the minimum fee allowed by the legislation is collected.
- Cuyahoga currently charges \$10 per returned check to cover administrative charges and bank charges for returned checks but will be required to reduce the fee by approximately \$2 per check.



Detailed Fiscal Analysis

Under current law, owners of residential property may enter into a tax prepayment agreement for payment of real property taxes. This bill extends that option to all taxpayers for real and public utility property. By allowing taxpayers to pay taxes in smaller monthly payments, a small reduction in the number of delinquent tax bills may occur. However, it is not possible to accurately estimate the fiscal impact of this reduction.

This legislation will allow counties to impose a fee of \$5 plus any bank charge for checks returned or automatic bank transfers declined due to insufficient funds. Cuyahoga county is the only county currently known to be imposing such a fee. Cuyahoga estimates that the treasurer receives approximately 1,200 returned checks or declined automatic bank transfers per year. The bank assesses a fee of approximately \$3 per transaction and the county charges the citizen who has written the check a fee of \$10 for the returned deposit. Therefore, this legislation will require Cuyahoga to reduce their fee to approximately \$8 per transaction. For other counties in the state it is estimated that approximately 11,000 deposit transactions per year are returned for insufficient funds and the counties will be able to assess a minimum fee of \$5 per returned check. This will result in a minimum of \$55,000 gain in county revenues.

□ *LBO staff: Barbara Mattei Smith, Economist*