

# ***Fiscal Note & Local Impact Statement***

*123<sup>rd</sup> General Assembly of Ohio*

---

**BILL: H.B. 368**

**DATE: October 14, 1999**

**STATUS: As Introduced**

**SPONSOR: Rep. Schuler**

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

**CONTENTS: Expands the types of permissible provisions of initial service plans for special improvement districts, clarifies the meaning of church and church property for purposes of special improvements, increases the time for providing notices to property owners, and requires property owners to give transferees notices received.**

---

## ***State Fiscal Highlights***

- No direct fiscal effect on political subdivisions.

## ***Local Fiscal Highlights***

- No direct fiscal effect on political subdivisions.



---

## **Detailed Fiscal Analysis**

Under current law, property owners may form a special improvement district (SID) to generate revenue from self-assessment, by means of a property levy, for public improvements in the self-defined district.<sup>1</sup> Property of the federal, state, county, township, municipal corporation, or church are not included in the district, unless they specify in writing to be included in the district. The formation of a SID is a two-step process. Step one asks property owners for permission to set up non-profit corporation to manage the district and implement an initial services plan (ISP), with financial support from the tax levy effective for up to four years. This must be approved via a petition signed by 60 percent of the owners of frontage property in the district or by the owners of at least 75 percent of the area of all real property located in the district. Step 2 of the process is for the actual public improvements to occur, governed by the non-profit corporation.

The bill would make several administration and definition changes to SID law.

- (1) The two-step process is merged, allowing public improvements plans and actions to be incorporated into the ISP.
- (2) The maximum time for the levy funding the ISP is extended from four years to ten years.
- (3) In determining the property owners of the district, the validation is increased from 20 days to 60 days from the time the petition is filed.
- (4) Church and church property is redefined as in the property tax exemption definition in the Revised Code (O.R.C. 5709.07).
- (5) The SID board must still notify members of any action. But membership in the district is determined by ownership 60 days prior to the board action.
- (6) Proxies and designees are permitted to be designated by and may vote for more than one district member or director.
- (7) Increases the notification time for a property owner to provide SID information to the purchaser of their property, prior to entering into contract.

Currently, Ohio has eight SIDs (see table below). The bill is permissive and thereby has no mandated state or local costs.

| <b>Approved SID and Annual Assessment Collections</b> |                             |
|---|-----------------------------|
| Canton  | \$95,000                    |
| Coventry Village (Cleveland Heights)                  | \$70,000                    |
| Downtown Akron (Begin 1999)                           | \$555,000                   |
| Downtown Cincinnati                                   | \$1,396,000                 |
| Downtown Dayton                                       | \$972,000                   |
| Downtown Hamilton                                     | \$55,000                    |
| Downtown Sylvania                                     | \$60,000                    |
| Playhouse Square Foundation                           | <i>(Data Not Available)</i> |

□ LBO staff: *Jeff Petry, Economist*

---

<sup>1</sup> The assessment may be based on any one or combination of the following: (1) Percentage of the tax value of the property assessed; (2) In proportion to the benefits which may result from the improvement; (3) The front footage of the property bounding and abutting upon the improvement (ORC 727.01).

