

may have otherwise been received. LSC estimates the aggregate total loss for all districts could be just short of \$100,000 annually.

- Conservancy districts may also experience added administrative costs due to database changes and other administrative filings/tasks related to the exemption of churches from assessments.

Detailed Fiscal Analysis

The bill

Generally, as it relates to the bill's fiscal impact, the bill specifies that on and after its effective date, the board of directors of a conservancy district must not levy a general assessment on real property that is owned by a church or a maintenance assessment on land that is owned by a church or on which a church operates a camp and that is located within the district. However, such assessments may be imposed upon written approval from the governing authority of the church in accordance with the procedures and requirements established in the Conservancy Districts Law.

Fiscal impact on conservancy districts

In 2006, LSC conducted research on assessments levied by 21 conservancy districts in the state. LSC found that no assessments are levied in seven of these districts. In five other districts, assessments were levied, however, in some cases there were no churches in any of the districts, or the churches did not benefit from the assessment and were exempt. See a discussion on these districts below under "***Revenue loss on future assessments.***"

Of the remaining nine districts, though they levy assessments, the majority of them do not have an accurate estimate of how much is paid by churches annually. This is because of difficulties in identifying church properties in district databases, the inability to break the assessment down by payments from churches, or the information having been filed with county auditors and not the district.

Revenue loss on current assessments. LSC's finding did reveal that two of the nine districts that levy assessments, the Maumee Watershed Conservancy District and the Wabash River Conservancy District, received total annual assessment revenue of \$500 and \$48 for all churches in these districts, respectively.

To determine the amount of church assessment revenue generated from the seven other districts, LSC used the statewide ratio of assessed value of church property to total taxable value and exempt real property (1.5%). LSC applied this 1.5% ratio to the total amount of assessments in each district. For example, in 2006, the Scioto Conservancy District received \$160,000 in annual revenues from all property assessments. Multiplying \$160,000 by 1.5% yields an estimate of the total annual assessments on church property within the district, or \$2,400. Applying this ratio to each of the seven districts (combined with the \$500 and \$48 in annual revenues from the Maumee Watershed Conservancy

District and the Wabash River Conservancy District) produces a total annual estimate of \$92,420 in revenues derived from church assessments.

In terms of this fiscal analysis, the estimate of \$92,420 represents the aggregate revenue loss of 9 of 21 conservancy districts in the state if churches are exempt from general assessments and maintenance assessments.

Revenue loss on future assessments. As for the twelve remaining districts, five of them under the bill (which currently do not levy an assessment on churches by choice or do not have churches in their district) would not be able to levy assessments on church property in the future. This results in foregone revenue that may have otherwise been received. An accurate estimate of the potential loss is unknown; however, based on the total amount of annual assessment revenue on all other properties in these districts, the combined total annual loss of these five districts would be approximately \$2,316.

Furthermore, for the seven districts that currently have no assessment on any property in the district (i.e., churches, resident properties, schools, or local governments), LSC does not have an estimate of the future revenue that may have otherwise been received if assessments were approved and levied on church property. Such an estimate would need to take into account the amount of annual assessment revenue collected in each of these districts.

Administrative expenses. Conservancy districts may also experience added administrative costs due to database changes and other administrative filings/tasks related to the exemption of churches from assessments.

Similarly, since the Department of Natural Resources (DNR) advises conservancy districts on various administrative matters, DNR may experience increased advisory assistance requests from conservancy districts regarding the provisions in the bill. Any increased costs are expected to be minimal.

LSC fiscal staff: Jonathan Lee, Senior Budget Analyst

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