



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 54 of the 128th G.A.

Date: June 15, 2009

Status: As Introduced

Sponsor: Rep. Morgan

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Revises ditch maintenance assessment procedures and makes other changes related to soil and water conservation improvements

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT

FY 2010 – FUTURE YEARS

Counties

Revenues

Potential gain in ditch assessments

Expenditures

Potential minimal increase for county engineers to revise ditch maintenance costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill revises the existing six-year ditch maintenance assessment review procedures that county commissioners must follow by permitting them to review and alter an assessment to reflect the estimated cost of the improvement as if it were performed today. This change would allow the county to adjust the assessment for inflation.
- County engineers could incur some minimal administrative costs for preparing updated cost estimates.
- The bill permits soil and water conservation districts (SWCDs) to employ the same procedures for maintaining conservation improvements as that provided for counties under the County Ditch Fund Law. As SWCDs typically follow these procedures in current practice, the fiscal impact of this provision, if any, would be negligible.

Detailed Fiscal Analysis

Ditch maintenance fund assessments

Under current law, after six annual maintenance fund assessments have been made on owners benefiting from an improvement that was constructed under the Single County Ditches Law, a board of county commissioners must review the permanent base for maintenance fund assessments. The board may then increase or decrease the benefit apportionments of land owners in accordance with changes in benefits that have occurred during the previous six years, but may not, according to an October 2004 Attorney General's opinion, increase the original estimated cost of an improvement project to adjust for inflation.

The bill would allow the board, at the time of the six-year review, to request the county engineer to estimate the construction cost of the improvement if that improvement were to be constructed at the time of the permanent base review. If the board approves the estimate, that amount would then become the permanent base used to calculate maintenance fund assessments for owners who benefit from the improvement. Since an estimate prepared by the county engineer would in all likelihood exceed the original estimate, it would result in an increase in assessments to recoup the updated estimate of the project cost. In addition, county engineers could incur some new administrative costs for revising these estimates.

Soil and water conservation district improvements

Current law requires a board of county commissioners, or a joint board if one has been appointed, to maintain improvements constructed by the board for a soil and water conservation district. The board may contract with or authorize a soil and water conservation district to maintain the improvements. However, there is no specific language in current law that governs the maintenance procedures employed by soil and water conservation districts. Generally, the boards of these districts are permitted to use the procedures outlined in the Ditch Maintenance Fund Law to levy assessments. Because most soil and water conservancy districts already follow the Ditch Maintenance Fund Law procedures covering maintenance, the effect of the bill is simply to codify existing practice, and thus any fiscal effect would be negligible or nonexistent.