



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 50 of the 129th G.A.](#)
(LSC 129 1215-3)

Date: June 17, 2011

Status: In House Local Government

Sponsor: Rep. Schuring

Local Impact Statement Procedure Required: No

Contents: Requires that a political subdivision or the state owner be included among the owners needed to sign a petition for an expedited Type 2 annexation

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill makes a change to the signature requirements that apply to Type 2 annexations, one of the five ways for annexing territory in current law. The expedited Type 2 annexation procedure is a special procedure for annexing no more than 500 acres of land in the unincorporated territory of a township into a municipal corporation. To initiate the expedited Type 2 annexation procedure, 100% of the owners of real estate in the unincorporated territory of a township area proposed for annexation must sign the annexation petition. Under this procedure, if a municipal corporation and the township of the territory being annexed agree to the annexation, the board of county commissioners must approve it. The procedure is expedited in that there is no hearing and no right to appeal, and a municipal corporation or township may only object to the failure of the petition to meet any of seven conditions specified in continuing law. The bill requires that a local government entity be counted as an owner under the Type 2 annexation petition process. Should the local government entity object to the annexation, then the traditional non-expedited annexation process would be used. The bill also specifies that the state, as well as political subdivisions, be considered landowners under the annexation procedure if the land owned by the political subdivision or state that is proposed for annexation has employees headquartered on that land.

Generally, in annexation processes, property owners would be subject to differing income tax rates of the annexing entity, as well as different services. As a result, a property owner could be inclined to object to the annexation if the owner viewed the new rates or different service providers unfavorably. Therefore, it would not seem likely that political subdivisions would often need the authority granted under the bill to object to a Type 2 annexation.

Synopsis of Changes

- The substitute bill specifies that the state, as well as political subdivisions be considered landowners under the annexation procedure if the land owned by the political subdivision or state that is proposed for annexation has employees headquartered on that land. This provision does not appear to have any significant fiscal impact.