Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 274 of the 129th G.A. **Date**: December 13, 2012

Status: As Passed by the Senate **Sponsor**: Rep. Letson

Local Impact Statement Procedure Required: No

Contents: Clarifies that transfer fees that apply to lands under agricultural or conservation easements are valid under current law, and authorizes land conveyances in Richland and Wayne counties

State and Local Fiscal Highlights

- There is no apparent direct fiscal effect on the state or political subdivisions as a result of the bill. This is because the state and political subdivisions rarely, if ever, buy or sell land with agricultural or conservation easements.
- The bill authorizes the state to convey approximately 4.7 acres in Richland County to the Mansfield Reformatory Preservation Society. Currently the property is overseen by the Department of Rehabilitation and Correction (DRC). In exchange, the state will receive approximately 3.9 acres in Richland County from the Society.
- The bill authorizes the state to convey the water rights in four parcels of land in East Union Township, Wayne County, to the Wayne County Board of County Commissioners.

Detailed Fiscal Analysis

Agricultural and conservation easements

The bill clarifies that fees that apply to transactions involving agricultural and conservation easements, typically referred to as stewardship fees, are not transfer fees under current law. Current law, enacted under H.B. 292 of the 128th General Assembly, states that transfer fee covenants recorded in Ohio on or after September 13, 2010 do not run with the title to real property and are not binding or enforceable against any subsequent owner. Under this bill, however, the transfer covenant fees (stewardship fees) associated with the transfer of agricultural or conservation easements would remain enforceable under contract and thus must be paid by the subsequent property owner. Typically, agricultural and conservation easements contain a stewardship fee in which the new property owner is granted a fee of between 1% and 2% of the property value in order to maintain the easement on that land. Because the state and political subdivisions are not often the purchasers or sellers of these properties, they would not likely be responsible for paying or receiving any such fees.

Mansfield Reformatory Preservation Society

The bill authorizes the Governor to convey approximately 4.7 acres of vacant land currently overseen by the Department of Rehabilitation and Correction (DRC) that is located at the southwest corner of the intersection of State Route 545 and Reformatory Road in Mansfield to the Mansfield Reformatory Preservation Society (MRPS). In exchange, the state would receive two contiguous parcels of MRPS land totaling approximately 3.9 acres located along the south side of Piper Road, also in Mansfield. Under the bill, MRPS's use of the land it acquires would be restricted to development for historic preservation purposes. The land the state would receive in the exchange is currently vacant. The bill requires MRPS to pay all costs of these conveyances, including recordation fees payable to the Richland County Recorder.

Wayne County – water rights

The bill authorizes the Governor to convey the water rights in four parcels of real estate located in East Union Township, Wayne County, to the Wayne County Board of County Commissioners. The bill specifies that the consideration to be paid by the Wayne County Board of Commissioners must be fair and reasonable as determined by the Director of Administrative Services. Additionally, the Wayne County Board of County Commissioners must pay all the costs associated with the conveyance, including surveying costs, title costs, preparation of boundaries and property descriptions, appraisals, and the recordation costs of the deed.