



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [S.B. 71 of the 129th G.A.](#)

Date: March 1, 2011

Status: As Introduced

Sponsor: Sen. Manning

Local Impact Statement Procedure Required: Yes

Contents: Exempts from property tax municipally owned stadiums of independent professional minor league baseball teams

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- Tax exemption for a stadium property owned by the city of Avon would result in loss of tax revenues for Lorain County and other units of local government.
- Tax revenue losses to Avon Local School District would not be partly offset by increased state foundation funding because of the amount of transitional aid that the district is already receiving.
- Revenue losses could be expected to grow in future years with rising property values.
- Other stadium properties might also qualify for this tax exemption in future years.

Detailed Fiscal Analysis

The bill would exempt from taxation a stadium that is owned by a municipal corporation and used primarily by an independent professional minor league baseball team for a significant portion of its home schedule, if the facility was constructed in 2008 or thereafter, the team operates at the facility under a lease, license, management agreement, or similar arrangement with the municipal corporation that requires the team to pay rent, revenue, or other remuneration to the municipal corporation, and any residual cash from the property that accrues to the municipal corporation is used for the public purposes of the municipal corporation. An independent professional minor league baseball team is defined as a baseball team that employs professional players and that is a member of an established league composed of teams that are not affiliated with major league baseball.

Only one stadium property in Ohio currently appears to qualify for this tax exemption, the All Pro Freight Stadium where the Lake Erie Crushers play their home games, in the city of Avon, in Lorain County. Opening day at the stadium was in June 2009. The stadium is in Avon Local School District.

As a result of the tax exemption for stadium property under the bill, a local government unit other than a school district would lose tax revenues equal to the decline in taxable value times the effective tax rate charged by the local government unit. Generally, when a school district's property valuation decreases, state aid increases. However, Avon Local School District is currently receiving enough transitional aid that the loss of tax revenues from the stadium property exemption would not increase state foundation funding to the district. Therefore, as with other local government units, Avon Local School District would lose tax revenues equal to the decline in taxable value times the effective tax rate, with no offsetting increase in state foundation funding. The Lorain County Joint Vocational School District would also be adversely affected.

The bill specifies that the tax exemption for the stadium applies to TY 2009 and thereafter. Tax revenue losses could be expected to grow in future years if property values rise, as they have in most years for properties on average in Ohio, or if effective tax rates increase.

In the future, stadiums of other teams in other locales might also qualify for this tax exemption, increasing the loss of revenue to units of local government.