



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Am. H.B. 277 of the 130th G.A.](#)

Date: May 16, 2014

Status: As Passed by the House

Sponsor: Rep. Stautberg

Local Impact Statement Procedure Required: Yes

Contents: Requires the state or political subdivisions to be considered property owners in certain cases for the purposes of Type II annexations

State and Local Fiscal Highlights

- The bill requires the state and political subdivisions to be considered property owners in certain cases for the purposes of expedited Type II annexations. If the state or a political subdivision, acting as property owner, would object to an annexation, it would have to go through an appeal and hearing process, which could lead to new costs.

Detailed Fiscal Analysis

Type II annexation procedures

Expedited Type II annexation procedures are special procedures for annexing not more than 500 acres of land in the unincorporated territory of a township into a municipal corporation. The annexed territory becomes part of a municipal corporation, but also remains part of a township; land in the territory is subject to real property taxation by both political subdivisions. The residents of the annexed territory are residents of both the municipal corporation and the township, and are entitled to vote on officers, issues, and tax levies of, and are subject to taxes levied by, both subdivisions. To initiate an expedited Type II annexation procedure, 100% of the owners of real estate in the unincorporated territory of the township area proposed for annexation must sign the annexation petition. If the 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 of the landowners who sign the annexation petition to file an appeal. The municipal corporation or a township may object to the annexation only for failure of the petition or the territory being annexed to meet several conditions specified in current law.

Type II annexation changes

The bill alters Type II annexation procedures by requiring that the state or political subdivisions be considered a property "owner," and therefore be included in determining whether 100% of the landowners in the territory proposed for expedited Type II annexation have signed the annexation petition. The bill also specifies that being a property "owner" does not include property such as a road or road right-of-way. This provision expands the authority of the state, through the Director of Administrative Services, or any political subdivision to object to the Type II annexation of its land. Overall, it is uncertain as to how many such instances would occur in which there would be a potential Type II annexation of land in which the state or a political subdivision were a property owner. However, in any such cases, the state or political subdivision could, as property owners under the bill, object to the annexation of land. As part of this objection, there would be an appeal and hearing process as exists in current law. Therefore, it is possible that the state or a political subdivision would have to represent its interests in the appeal and hearing process of this annexation, which could result in some costs. However, it is unlikely that many such cases would occur.