



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [H.B. 377 of the 130th G.A.](#)

**Date:** January 17, 2014

**Status:** As Introduced

**Sponsor:** Rep. Anielski

**Local Impact Statement Procedure Required:** Yes

**Contents:** To change distributions of payments from the Casino Operator Settlement Fund to certain municipalities and townships based on proportions of horseracing track property

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- Under the bill, based on the proportions of horseracing track property, instead of receiving a second \$1.0 million payment from the Casino Operator Settlement Fund, the Village of Northfield could receive \$829,000, with the difference of \$171,000 disbursed to the Village of Walton Hills (\$109,000) and the City of Macedonia (\$62,000).
- Under the bill, based on the proportions of horseracing track property, instead of receiving a second \$1.0 million payment from the Casino Operator Settlement Fund, the Village of North Randall could receive \$773,600, with the difference of \$226,400 disbursed to the City of Warrensville Heights.

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## Detailed Fiscal Analysis

### Summary of current law

Current law, specifically Am. Sub. H.B. 386 of the 129th General Assembly, establishes a framework for the relocation of horse racetracks if a racetrack owner wished to relocate the owner's track. Among other provisions, that legislation provided for two \$1 million payments from the Casino Operator Settlement Fund (Fund 5KT0) to the municipality or township in which a track was located or to which the track was being moved (excluding a municipality or township in Franklin County). At least 50% of the funds received must be used for infrastructure or capital improvements.

Am. Sub. H.B. 59 of the 130th General Assembly, the current operating budget act, amended H.B. 386 (as amended by Am. Sub. H.B. 51 of the 130th General Assembly), to specify that (1) if the property on which a racetrack was located straddled the boundary of two political subdivisions, the full payment would be made to the subdivision in which the larger portion of the property was located, (2) not more than six municipal corporations or townships would be entitled to the two \$1 million payments, and (3) the Director of the Office of Budget and Management (OBM) was granted the sole authority to make the eligibility determination.

According to OBM, the six municipalities or townships determined eligible under current law for the payments from the Casino Operator Settlement Fund are as follows:

1. Anderson Township in Hamilton County;
2. Austintown Township in Mahoning County;
3. City of Dayton in Montgomery County;
4. Turtlecreek Township in Warren County;
5. Village of Northfield in Summit County; and
6. Village of North Randall in Cuyahoga County.

The first \$1 million payments were distributed to these municipalities and townships in the last week of October and the first week of November 2013. Current law requires that the second payments be made within six months of the first payments.

### The bill

H.B. 377 allows the OBM Director to distribute the second \$1 million payment proportionally to municipalities or townships which contain a portion of horseracing track property. The bill does not require the Director to do so, and continues to give the Director the authority to decide which of the two permitted allocations to make. The bill also specifies that at least 50% of the funds received must be used only for infrastructure (and not capital) improvements.

Two racetracks are located within more than one municipality or township. According to OBM, most of the Northfield Park racetrack is located in Northfield (82.9%), with portions in Walton Hills (10.9%) and Macedonia (6.2%), and most of the Thistledown racetrack is located in North Randall (77.36%), while the rest is in Warrensville Heights (22.64%). The table below shows the distribution of the second \$1 million payments to the townships and municipalities under current law and under the bill, if the OBM Director were to proportionally distribute the second \$1.0 million payment.

<b>Distribution of Second \$1 million Payment</b>			
<b>Township or Municipality (County)</b>	<b>% of property</b>	<b>Required under current law</b>	<b>Permitted under H.B. 377</b>
<b>Village of Northfield (Summit)</b>	82.90%	\$1,000,000	\$829,000
Village of Walton Hills (Cuyahoga)	10.90%	\$0	\$109,000
City of Macedonia (Summit)	6.20%	\$0	\$62,000
<b>Village of North Randall (Cuyahoga)</b>	77.36%	\$1,000,000	\$773,600
City of Warrensville Heights (Cuyahoga)	22.64%	\$0	\$226,400

\* Assuming the OBM Director distributes the payment proportionately

Under the bill, based on the proportions of property, instead of receiving a total of \$2.0 million from both payments, the Village of Northfield could receive \$1,829,000; while Walton Hills could receive \$109,000, and Macedonia could receive \$62,000. Also, instead of receiving a total of \$2.0 million the Village of North Randall could receive \$1,773,600; while Warrensville Heights could receive \$226,400.