OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

S.B. 43
135th General Assembly

Fiscal Note & Local Impact Statement

Click here for S.B. 43's Bill Analysis

Version: As Reported by Senate Ways & Means

Primary Sponsor: Sen. Brenner

Local Impact Statement Procedure Required: No

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Highlights

Fund	FY 2024	FY 2025	Future Years
State General Revenue Fund			
Expenditures	Increase potentially in the tens of thousands per year, and possibly less		

Note: The fiscal year for the state, school districts, and certain other local governments runs from July 1 through June 30 and is designated by the calendar year in which it ends. For other local governments, the fiscal year is identical to the calendar year.

- The bill would permit surviving spouses of deceased veterans who applied for but had not yet received total disability ratings to qualify for a homestead exemption on up to $50,000 market value of a primary residence in certain circumstances.
- Revenue losses of school districts and local governments would be reimbursed from the GRF.

Detailed Analysis

Under ongoing law veterans who are totally disabled and surviving spouses of such veterans (under specified circumstances) are eligible for an enhanced homestead exemption, which exempts up to $50,000 market value of a primary residence from property tax. The bill applies to a surviving spouse of a disabled veteran who owned and occupied a homestead and who died before receiving a total disability rating. The bill would allow the surviving spouse to qualify for the same homestead exemption, provided the surviving spouse acquires ownership of the homestead.[1] The surviving spouse would qualify for the exemption in the first year in which the total disability rating was received for the deceased spouse. The exemption would continue through the tax year in which the surviving spouse dies or remarries.

The number of surviving spouses of deceased disabled veterans who applied for but had not yet received a total disability rating is likely small. Data for tax year 2020 (tax year 2021 for manufactured homes) indicate that only about 2% of homeowners receiving the homestead exemption qualify as surviving spouses. Applying this percentage to the number qualifying for the homestead exemption as disabled veterans, perhaps about 184 homeowners qualified as surviving spouses of veterans who qualified for the homestead exemption, prior to their deaths, as totally disabled. The number of additional married veterans who were homeowners and who applied for classification as totally disabled but died before receiving that rating is likely quite few. If, for example, an additional 5% to 10% were spouses of veterans who applied for total disability ratings but died before receiving those ratings, perhaps nine to 18 such spouses would be in this situation. At an average cost for an exemption of up to $50,000 market value of a home, of approximately $970, the total cost might be about $9,000 to $18,000. This is only a hypothetical range; the actual cost could be lower.

Revenue from the property tax accrues to local governments in Ohio, including school districts, municipalities, counties, and townships. Revenue losses of local governments from the homestead exemption are reimbursed from the GRF however. The result of the bill is therefore to increase spending from the GRF minimally rather than to reduce revenue to local governments.

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[1] For a homestead that is a unit in a housing cooperative, the requirement for the exemption would be to occupy, rather than to own and occupy, the homestead.