



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 45 of the 131st G.A.

Date: March 16, 2015

Status: As Introduced

Sponsor: Sens. Skindell and Eklund

Local Impact Statement Procedure Required: No

Contents: Allows for the creation of a special improvement district for the purpose of developing and implementing Lake Erie shoreline improvement projects

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The bill may result in minimal administrative costs for legislative authorities and municipal executives of political subdivisions to review shoreline improvement project's development plans and other oversight functions. These costs would at least be partially offset by development review fees, construction permit fees, or inspection fees that are assessed by political subdivisions as a result of the formation of a Lake Erie shoreline special improvement district.

Detailed Fiscal Analysis

Overview

The bill allows for the creation of a special improvement district for the purpose of developing and implementing Lake Erie shoreline improvement projects. The bill defines "shoreline improvement project" to mean acquiring, constructing, installing, equipping, improving, maintaining, or repairing real or tangible property necessary or useful for making improvements to abate erosion along the Lake Erie shoreline. The bill also establishes provisions governing special improvement districts created for shoreline improvement projects. For further details on these provisions, please see the LSC Bill Analysis.

Fiscal effects

Special improvement districts are created for the purpose of developing and implementing plans for public improvements and public services that benefit the district. In order to pay for these improvements and services, participating political subdivisions levy a special assessment to property owners within the districts. Assessments are uniformly applied and are levied by one or any combination of the following methods: (1) by a percentage of the tax value of the property assessed, (2) in proportion to the benefits that may result from the improvement, or (3) by the front foot of the property bounding the abutting upon the improvement. Note that the bill allows special improvement districts created for a shoreline improvement project to include property held by the state in trust. Unlike other property owners located in the district, this will have no fiscal effect on the state since state property is exempt from taxation.

Under the bill, political subdivisions along the Lake Erie shoreline could incur some administrative costs to review the development plans for shoreline improvement projects and oversee the district. These costs could include the review and approval of special improvement district boundaries, the Articles of Incorporation, the plan of services, and the petition to create the district. Additionally, the municipal corporation is responsible for the disbursement of funds to the special improvement district. Assessment funds are collected by the county auditor's office and are forwarded to the municipal corporation, which in turn disburses those funds to the district. The costs that a political subdivision incurs could at least be partially offset by development review fees, construction permit fees, or inspection fees that would result from development occurring in these districts.