



January 26, 2016

MEMO

TO: MEMBERS OF HOUSE LOCAL GOVERNMENT COMMITTEE

FROM: BRAD COLE, MANAGING DIRECTOR OF RESEARCH

SUBJECT: SUPPORT FOR HB 252

Madam Chair Anielski, Vice Chair Ryan, and Ranking Member Rogers, members of the committee, my name is Brad Cole and I am here representing the County Commissioners Association of Ohio (CCAO). CCAO supports HB 252, which increases county treasurers' settlement fees for the collection of real and public utility property taxes and assessments.

Seven years ago, the County Treasurers Association approached CCAO to ask for our support of a proposal to revise county treasurer settlement fees. Under existing law, the county treasurer and the county auditor are allowed settlement fees on the collection of property taxes and assessments. These fees are collected in connection with the treasurers' and auditors' duties in collecting and disbursing property taxes to schools, municipal corporations, townships, and county agencies eligible to receive such property taxes. These fees are deposited into the county general fund and, thus, are used to support the funding of county government services.

After reviewing the County Treasurers' Association proposal, CCAO adopted the following policy:

CCAO supports revisions to the settlement fee formula so that all counties experience comparable rates of growth as settlement amounts grow over time. Many, mostly smaller, counties have experienced a rate of growth in settlement fee increases that has not come close to the rate of growth in property tax distributions. The settlement fee formula was last adjusted in 1986. A formula change as proposed by the County Treasurers Association would benefit all counties at a time when most counties are experiencing tight general fund budgets.



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County Commissioners
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HB 252 proposes very modest increases in the percentage of the fees collected on property tax collections within each county each year. According to the fiscal note, treasurers' settlement fees would increase by an amount of \$13,500 per county or less than \$1.2 million statewide in the first year. The bill also provides a mechanism whereby settlement fees would be indexed to the growth in property taxes through an annual calculation performed by the tax commissioner. The indexing provision would allow for modest growth in settlement fees as real and public utility tax collections increase over time.

CCAO encourages the committee to support for HB 252. I would be pleased to try to answer questions from members of the committee at this time.