



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

H.B. 404

128th General Assembly
(As Introduced)

Reps. Bolon, Domenick, Evans, Fende, Letson, B. Williams, Yuko

BILL SUMMARY

- Increases county treasurers' fees for the collection of real and public utility property taxes and assessments.
- Requires that a new method be used to calculate those fees, which is based on each county's "fee factor" and the amount of the settlement the county treasurer makes with the county auditor.

CONTENT AND OPERATION

Fees for collection of property taxes

(R.C. 321.26 (and 321.24, not in the bill))

Under current law, when making settlements with the county auditor, the county treasurer is authorized to charge fees on moneys collected by the county treasurer on *any* tax duplicates, other than the inheritance duplicate, and on all moneys the county treasurer receives as advance payments of personal and classified (intangible) property taxes.¹ The fees the county treasurer may charge are specified as variable percentages of the money collected or received, with the percentages changing as more money is collected or received.

The county auditor and county treasurer make settlements twice a year for all taxes and assessments that the county treasurer has collected on the general duplicate of real and public utility property on or before February 15 each year (first-half

¹ As of 1985 return years, classified property taxes are no longer levied on intangible personal property. But dealers in intangibles still pay a tax on shares of stock or capital.

settlement), and on or before August 10 for collections not included in the preceding February settlement (second-half settlement).

Fee increase for collecting real and public utility property taxes and assessments

(R.C. 321.26(A)(2))

The bill provides that the percentages specified in existing law will continue to apply to the collection of taxes on the general personal property duplicate and amounts received as advance payments of personal property taxes, but not to the collection of real and public utility property taxes and assessments. Rather, the bill establishes a new method for calculating the fee the county treasurer receives for collecting taxes and assessments on real property and public utility tangible personal property included in a settlement, based on the amount collected, multiplied by the "county fee factor," as determined below. All fee factors calculated under the new method must be rounded to the nearest .0001%.

Calculation of fees for settlements in 2010

For a settlement occurring in 2010, the "county fee factor" equals the average of the yearly county fee factors for tax years 2003 through 2006 multiplied by 115%. The yearly county fee factor for each of those years equals the average of the first-half fee factor and second-half fee factor. The first-half fee factor equals taxes charged and payable for a tax year multiplied by 52.25% divided by the fees that would be allowed for the collection of this amount if the fees were computed under the old method of calculating fees. The second-half fee factor equals taxes charged and payable for a tax year multiplied by 42.75% divided by the fees that would be allowed for collection of this amount if the fees were computed under the old method of calculating fees.

Calculation of fees for settlements in 2011 and thereafter

For collections included in a settlement occurring in 2011 or thereafter, the county treasurer will receive fees as follows:

(1) For collections included in the February 15 first-half settlement, an amount equal to one-half of the total fees the treasurer received in the immediately preceding year.

(2) For collections included in the August 10 second-half settlement, an amount equal to the difference between the "fee factor product" and the amount determined under (1), above. The "fee factor product" is the total settlement amount multiplied by



the county fee factor for the preceding year. The total settlement amount is the total of the February 15 and August 10, first- and second-half settlements.

But the county fee factor is calculated differently, as follows, if the amount of total settlement growth exceeds 6% or if the amount of total settlement loss exceeds 1%:

◆ If the total settlement amount is greater than 106% of the total settlement amount for the preceding year, the fee factor product equals the fees allowed for the preceding year multiplied by the sum of 106% plus one-half of the difference between the percentage by which the total settlement amount increased and 6%. The county fee factor for the year equals the fee factor product divided by the total settlement amount.

◆ If the total settlement amount is less than 99% of the total settlement amount for the preceding year, the fee factor product equals 99% of the fees allowed for the preceding year minus one-fourth of the difference between 99% and the percentage that the preceding year's total settlement amount is of the current year's total settlement amount. The county fee factor for the year equals the fee factor product divided by the total settlement amount.

HISTORY

ACTION	DATE
Introduced	01-05-10

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