



Ohio Legislative Service Commission

Bill Analysis

Stephen Estelle

H.B. 487

128th General Assembly
(As Introduced)

Reps. Foley and Belcher, Hagan

BILL SUMMARY

- Authorizes a county to increase its permissive real property transfer tax to \$4 per \$1,000 of value.
- Requires a county to use revenue generated by the portion of its permissive real property transfer tax levied in excess of \$3 per \$1,000 of value for housing purposes.

CONTENT AND OPERATION

Permissive real property transfer tax

The bill authorizes a county to increase its permissive real property transfer tax to \$4 per \$1,000 of the property's value.¹ Currently, the tax may not exceed \$3 per \$1,000 of the property's value. The tax is levied on each deed conveying real property located in the county and is payable by the grantor.

The bill requires a county levying a real property transfer tax in excess of \$3 per \$1,000 of value to credit the revenue generated by the portion of the tax in excess of \$3 to a housing trust fund to be used for housing purposes.² The housing trust fund may receive other funds, such as gifts or grants or other money directed by the county to the fund.

All trust fund money must be appropriated and expended for any of the housing purposes the state and political subdivisions are authorized to spend public money for

¹ R.C. 322.02(A).

² R.C. 307.698(A) and 322.03(B).

under Article VIII, Section 16 of the Ohio Constitution.³ These purposes include buying, constructing, or improving public housing, providing grants, loans, or guarantees to enable persons to buy, build, or improve private housing, or paying debt charges on bonds issued for either of those purposes. The county may grant housing trust fund money to a county, municipal, or township housing advisory board, to a nonprofit organization created by a county, municipal corporation, or township for housing purposes, or a non-public nonprofit organization whose primary purpose is to help low-income individuals obtain affordable housing.

Currently, all real property transfer tax revenue must be credited to the county's general fund for general fund purposes and to pay for administration of the tax.⁴

Housing trust fund board

The bill authorizes the board of county commissioners that levies a real property transfer tax in excess of the \$3 threshold to establish a board of directors for the housing trust fund. The board's duties are to prescribe categories of programs eligible for trust fund grants or assistance, establish criteria for determining eligibility for trust fund grants or assistance, and create procedures for applying for grants and assistance and evaluating applications. Housing trust fund board members are to be appointed by the county board of commissioners, which also establishes the number of board members and their terms. A majority of the membership must be composed of individuals who are members of the class of persons to be assisted by trust fund grants or assistance or of individuals who represent organizations that serve those persons, including organizations whose primary purpose is to help provide affordable housing to low-income individuals.

If a housing advisory board already exists in the county, the board of commissioners may designate the advisory board to function as the housing trust fund board. Current law authorizes political subdivisions to create housing advisory boards to review plans for affordable housing and advise the subdivision on such plans and other housing matters. Housing advisory boards may be composed of lenders, developers, builders, real estate brokers, elected officials, residents who may receive housing assistance, and other groups or individuals whose appointment would provide "balanced advice."

³ R.C. 307.698(A).

⁴ R.C. 322.03.

HISTORY

ACTION

DATE

Introduced

04-13-10

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