

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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BILL: **H.B. 309** DATE: **April 1, 2008**

STATUS: **As Introduced** SPONSOR: **Rep. Foley**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Makes changes to the laws governing manufactured home assessments**

## State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	Potential negligible gain from court costs and fines	Potential negligible gain from court costs and fines	Potential negligible gain from court costs and fines
Expenditures	- 0 -	- 0 -	- 0 -
<b>Victims of Crime/Reparations Fund (Fund 4020) – Attorney General</b>			
Revenues	Potential negligible gain from court costs and fines	Potential negligible gain from court costs and fines	Potential negligible gain from court costs and fines
Expenditures	- 0 -	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2008 is July 1, 2007 – June 30, 2008.

- The GRF and the Victims of Crime/Reparations Fund (Fund 4020) in the Attorney General's Office may experience a negligible gain in revenues from a portion of court costs and fines related to the change in the penalty for violations of the Manufactured Home Park Law.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
<b>Counties</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase for county auditors to evaluate and assess taxable property	Potential minimal increase for county auditors to evaluate and assess taxable property	Potential minimal increase for county auditors to evaluate and assess taxable property
<b>Counties and Municipalities</b>			
Revenues	Potential gain from criminal fines	Potential gain from criminal fines	Potential gain from criminal fines
Expenditures	Potential minimal increase in criminal justice costs and civil court costs	Potential minimal increase in criminal justice costs and civil court costs	Potential minimal increase in criminal justice costs and civil court costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.



- Counties may incur minimal additional administrative expenses in order for county auditors to make determinations as to what constitutes mandated and nonmandated improvements for the purposes of assessing taxable property in manufactured home parks.
  - Counties and municipalities may experience gains in fine revenue as a result of a change in the way Manufactured Home Park Law penalties are determined.
  - Counties and municipalities may incur minimal increases in expenditures for criminal justice activities arising from the change in penalties for violations of the Manufactured Home Park Law and the costs of civil proceedings arising from public nuisance claims in manufactured home parks.
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## *Detailed Fiscal Analysis*

The bill makes various changes to the laws governing manufactured housing developments, most of which do not have a fiscal effect on the state or local governments. The LSC Bill Analysis contains more detailed information about these provisions. The fiscal effect of the bill is limited to provisions related to manufactured home assessments for tax purposes, the ability of residents to initiate public nuisance proceedings, and changes made to the statutes governing violations of the Manufactured Home Park Law.

### **Manufactured home assessments**

The bill requires the assessable value of a manufactured or mobile home for taxation and auditing purposes to include only the value of the home and any improvements made by the owner that were not mandated by any park operator or rules governing a resident's rental agreement. According to the Ohio County Auditors' Association, this is essentially the same as current practice, though there is not always a distinction between mandated and nonmandated improvements. Improvements and attachments made to manufactured and mobile homes (such as patios, carports, landscaping, etc.) are often not considered part of the home itself because the home can be moved from its location, and are typically taxed to the owner of the land, usually the park owner or operator.

It is possible that there could be some gains in revenue from taxes on manufactured homes if it is determined that park operators or resident associations have not mandated certain improvements. However, any gain in revenue would depend on the value of improvements deemed to be nonmandated. As counties do not generally make a distinction between mandated and nonmandated improvements, county auditors could incur some additional administrative costs to evaluate and assess the taxable value of these improvements. Any costs are likely to be no more than minimal.

### **Resident initiation of public nuisance proceedings**

The bill adds residents of manufactured homes to the list of persons who may initiate public nuisance proceedings and specifies that residential units within a manufactured home park may be considered public nuisances if they meet the same public nuisance criteria as other buildings that may be considered as such. Current law defines a public nuisance as "a building

that is a menace to the public health, welfare, or safety" due to structural or sanitary problems, inadequate fire safety, or is otherwise dangerous or uninhabitable. Under the bill, residents of a manufactured home park may bring a civil action before a municipal or county court in order to effect abatement of such public nuisances on properties within a manufactured home community.

County and municipal courts may experience an increase in costs to adjudicate civil proceedings arising from the addition of manufactured home parks to the public nuisance law. Such costs would depend on the number of public nuisance claims brought before local courts. However, they are not likely to be more than minimal.

### **Violations of the Manufactured Home Park Law**

The bill extends the penalty for violating certain provisions of the Revised Code dealing with the operations, development, and licensing of manufactured home parks and the rules adopted pursuant to those laws. The bill changes the penalty to specify that each day of continued violation constitutes a separate fourth-degree misdemeanor (M4) offense. The maximum penalty for an M4 is a fine of \$250 or up to 30 days in jail. The county or municipality in which an offense takes place collects fine revenue. Any gain in revenue would depend on the number of offenses and the number of days for which individual violations continue. A small portion of court costs and fines would also be deposited into the GRF and the Victims of Crime/Reparations Fund (Fund 4020) within the Attorney General's Office. Although they might gain fine revenue, counties and municipalities may also incur minimal increases in criminal justice costs as a result of the additional penalties. For example, as each day of violation would constitute a separate offense, local law enforcement may bear costs for processing additional offenses and prosecuting violators with multiple or extended violations.

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