



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [Sub. H.B. 220 of the 128th G.A.](#)

**Date:** May 21, 2010

**Status:** As Reported by House Local Government and Public Administration

**Sponsor:** Rep. Chandler

**Local Impact Statement Procedure Required:** No — No local cost

**Contents:** Implements certain recommendations of the Local Government Public Notice Task Force

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- The bill adopts several recommendations from the Local Government Public Notice Task Force. Among the recommendations included in the bill are provisions that (1) create alternative public notice procedures, (2) require newspapers to set "government rates" for publishing public notices and advertisements, and (3) allow political subdivisions to print summaries of ordinances, resolutions, or rules instead of the complete language.
- The bill also includes a Task Force recommendation allowing for an alternative way for county auditors to recoup the cost of publishing delinquent tax lists, essentially by making these costs a lien against the delinquent properties. Under current law, county auditors can either pay these costs or divide them proportionally among the political subdivisions where the delinquent properties are located.
- If implemented, these changes are likely to reduce advertising and public notice costs for political subdivisions.

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## Detailed Fiscal Analysis

### Background

H.B. 101 of the 126th General Assembly created the Local Government Public Notice Task Force, consisting of 22 members, and assigned the Task Force with the responsibility of reviewing public notice requirements for local governments to decide if the notice requirements are still needed, to determine if there are other methods to fulfill those requirements, and to determine if any changes in the publication methods would enhance public availability and provide cost savings to local governments. The Task Force issued a report of its findings on May 31, 2008. The bill implements some of the Task Force's recommendations. The fiscal effects of these changes are described below.

### Newspaper of general circulation requirements

The bill revises numerous local government notice and advertisement statutes to provide that publication must be made in a newspaper of general circulation in a political subdivision rather than in a newspaper published in the political subdivision. The bill eliminates the requirements of publication in newspapers of opposite politics, in two newspapers, or in newspapers with second-class mailing privileges, and instead uses the standard of publishing notices and advertisements in a newspaper of general circulation within the political subdivision. Overall, the effect of these changes would be to reduce the number of required notices that political subdivisions would need to publish.

### Alternative publication procedures

The bill establishes an alternative publication procedure that political subdivisions operating and maintaining web sites may choose to follow for public notices. The bill provides that if a political subdivision is required to publish a notice or advertisement two or more times in a newspaper of general circulation, and the political subdivision operates and maintains an Internet web site, the *second* publication may be made in abbreviated form in a newspaper of general circulation in the political subdivision and on the newspaper's Internet web site, if available. The bill allows for the first notice (which must be published in its entirety) to be in a pre-printed insert in the newspaper. The bill does not specify who would print these inserts, but presumably the political subdivision would contract with a printing company to make the inserts when it is more cost effective. Generally, this option would be used for larger inserts such as delinquent tax lists that may take up several pages. Additionally, the bill requires that the second abbreviated publication be at least one-half the size of the first publication. These provisions would also lower public notice costs to political subdivisions.

## **Government rate for publication**

The bill requires newspaper publishers to establish and charge public officers of a county, municipal corporation, township, school, or other political subdivision (but not public officers of the state) government rates for the publication of advertisements, notices, and proclamations. The government rate cannot exceed the lowest classified advertising rate and lowest insert rate paid by other advertisers. The bill also provides that advertisements and notices printed in newspapers must be posted on a newspaper's Internet web site, if the newspaper has one. Ultimately, any cost savings attributable to this provision would depend on the government rate established by the newspaper.

The Columbus Dispatch's current local political advertising rates are \$95 per column inch for advertisements appearing on Monday, Tuesday, or Wednesday; \$105 per column inch for advertisements appearing on Thursday or Friday; and \$155 per column inch for advertisements appearing on Saturday and Sunday. The rates for political advertisements in The Plain Dealer of Cleveland are \$116.43 per column inch for advertisements appearing on Monday through Saturday, and \$148.17 per column inch for advertisements appearing on Sunday. The Akron Beacon Journal's current political advertising rates are \$88.23 per column inch for advertisements appearing on Monday through Friday, \$89.84 per column inch for advertisements appearing on Saturday, and \$130.89 per column inch for advertisements appearing on Sunday.

## **Delinquent tax lists**

The bill provides for an alternative method that county auditors may use to pay for the cost of publishing delinquent tax lists in newspapers. Current law allows county auditors to apportion the costs of publishing delinquent manufactured home tax lists, delinquent tax lists, delinquent vacant land tax lists, and display notices among the taxing districts in proportion to the amount of delinquent taxes advertised in each taxing district. Under the bill, a county auditor may establish a flat fee to be levied on each listed home or lands, to be collected as other manufactured home or real property taxes. Delinquent tax lists are also permitted to be published on pre-printed inserts for the first notice. Under the bill, the second publication of this list cannot exceed three-fourths of the cost of the first publication. Additionally, the bill prohibits these lists from being published in law journals as a way to satisfy notification requirements. This prohibition also applies to notices of (1) public auctions of abandoned land, (2) sales of land taken in foreclosure proceedings, and (3) sales of tax certificates.

Even though current law provides a way for county auditors to recoup the expense of publishing delinquent tax lists, it is not clear how many counties take advantage of this method. This makes it difficult to determine how many county auditors would use the alternative recoupment method allowed under the bill. Regardless, these delinquent tax lists, which typically appear as inserts in newspapers, are quite costly to publish. A County Auditor's Association of Ohio (CAAO) survey of

counties found that the 54 counties which responded spent \$1.4 million to publish delinquent tax lists twice as required by law in 2009.

### **General fiscal effect**

Overall, the various provisions of the bill would result in some public notice cost savings to political subdivisions. The ultimate savings will depend on a variety of factors, such as how many political subdivisions operate web sites which would allow for the alternative publication provision, and the government advertisement rates established by the state's newspapers. The Ohio Newspaper Association (ONA) has approximately 230 members, nearly all of whose newspapers receive some type of revenue from government notices and advertisements. ONA estimates that its members collect approximately \$20 million to \$25 million in revenue annually from counties, municipalities, and townships that are required to publish government notices and advertisements under the procedures in current law. Presumably, this amount would decrease by some amount under the bill.