



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [H.B. 223 of the 128th G.A.](#)

**Date:** October 20, 2009

**Status:** As Introduced

**Sponsor:** Reps. Letson and Coley

**Local Impact Statement Procedure Required:** No — Permissive

**Contents:** Authorizes county treasurers and prosecuting attorneys to use Delinquent Tax Assessment Collection Fund moneys for operating expenses during the July 1, 2009 – July 1, 2011 period

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- In addition to other currently permitted uses, the bill authorizes county treasurers and prosecuting attorneys to use a specified portion of surplus Delinquent Tax Assessment Collection (DTAC) Fund moneys in lieu of general fund moneys for operating expenses, but only for the July 1, 2009 – July 1, 2011 period.

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## Detailed Fiscal Analysis

### **Permissible uses of county Delinquent Tax Assessment Collection Fund moneys**

Under current law, a Delinquent Tax Assessment Collection (DTAC) Fund receives 5% of collections of delinquent property taxes, manufactured home taxes, and special assessments. The purpose of DTAC funds is to pay the expenses of the county treasurer and prosecuting attorney in collecting additional delinquent taxes and assessments, although there are other specified uses. In any county with a 2006 population of more than 100,000, the treasurer and prosecuting attorney can spend DTAC fund moneys not needed for delinquent tax collection to assist townships and municipal corporations in abating foreclosed residential nuisances. The prosecuting attorney also can spend excess DTAC moneys to prosecute violations of criminal and civil laws governing real estate and related transactions. The total amount spent for purposes other than delinquent tax collection cannot exceed \$3 million per year.

H.B. 1, the main operating budget act for the FY 2010-FY 2011 biennium, expanded the permissible uses of DTAC funds to include the prevention of residential mortgage foreclosure and related problems. This entails (1) providing financial assistance in the form of loans to borrowers in default on their home mortgages, including the payment of late fees, to clear arrearage balances, (2) augmenting county-operated foreclosure prevention programs, and (3) assisting cities, villages, and townships in nuisance abatement of deteriorated residential buildings in foreclosure. The only limitation is that the amount spent for those purposes in any year cannot exceed the amount that would result in the DTAC Fund reserve falling below 20% of the amount spent the preceding year on collecting delinquent taxes.

### **Additional uses permitted by the bill**

The bill allows a county prosecuting attorney or a county treasurer to determine that the amount of money appropriated to the respective office from the DTAC Fund exceeds the amount required to be used by that office as prescribed under current law. If a county prosecuting attorney or county treasurer makes that determination, the prosecuting attorney or treasurer can expend up to 50% of the excess to pay the expenses of operating the respective office that otherwise would be payable from appropriations from the county general fund, but only during the July 1, 2009–July 1, 2011 period.

Overall, the bill would give treasurers and prosecuting attorneys the flexibility to shift payment for certain expenses from county general funds to DTAC funds. However, this means that there may be less funding available for nuisance abatement or foreclosure assistance programs in counties with populations greater than 100,000 that currently use excess DTAC moneys for these purposes.

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