



# Ohio Legislative Service Commission

*Terry Steele*

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## Fiscal Note & Local Impact Statement

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**Bill:** [H.B. 471 of the 128th G.A.](#)

**Date:** June 2, 2010

**Status:** As Introduced

**Sponsor:** Rep. Chandler

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

**Contents:** Permits political subdivisions to create transfer of development rights (TDR) programs

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- The bill permits townships, counties, and combinations of political subdivisions to establish transfer of development rights (TDR) programs, referred to as "TDR banks" under the bill. Political subdivisions that opt to create TDR banks will incur new expenses, depending on the scope and complexity of the programs.
- The bill permits counties or townships to create TDR bank funds to pay for TDR purchases and program operating expenses. If two or more political subdivisions agree to operate a joint TDR, a TDR bank fund must be created.

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## Detailed Fiscal Analysis

The bill provides for counties, townships, or combinations of counties, townships, and municipal corporations to adopt regulations allowing for the creation of transfer of development rights (TDR) programs within their zoning codes. TDR programs permit a development right to be assigned to property in an area designated as a "sending area." That development right can be transferred for application and use to property in a designated "receiving area." The bill also permits these political subdivisions to establish a TDR bank fund to serve as an operating account for these TDR programs. The bill requires a TDR bank fund if the program is jointly operated among political subdivisions. Overall, political subdivisions that choose to establish TDRs are likely to incur new administrative expenses for operating these programs.

TDR programs are primarily aimed at the preservation of agricultural areas and the control of growth in particular areas. They can be more complicated and expensive to implement than traditional zoning plans. Much of the additional work is related to evaluating the land to be included within a TDR program, monitoring deed restrictions, and preparing or reviewing documentation related to easements. The overall costs vary depending upon the amount of land involved and the number of individuals seeking to buy or sell development rights. Program complexity, adjustments to utility service plans, any real estate market analysis required to determine the value of the development rights, and modifications to capital improvement plans that are affected by TDR programs can also add cost. Local governments can also incur costs for purchasing development rights in instances where the rights are not purchased by developers.