



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Am. Sub. S.B. 187 of the 128th G.A.](#) **Date:** June 11, 2010

Status: As Enacted **Sponsor:** Sen. Seitz

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Establishes the Ohio Planned Community Law

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- Overall, counties could gain some additional revenue from recordation fees as a result of the filing requirements for planned communities specified in the bill. This bill is likely to affect urban and suburban counties more so than rural counties.
- The recordation fees would offset the additional administrative expenses county recorders incur for processing these filings.

Detailed Fiscal Analysis

The bill creates new procedures in state law for the establishment and governance of planned communities similar to those for condominium associations. The bill sets out definitions for planned communities and homeowners' associations, provides for the establishment of boards of directors, establishes the rights of these boards and individual homeowners in associations, and lays out the powers and duties of the boards in governing the associations. This will increase the number of legal instruments processed by county recorders. Additionally, the bill provides for civil actions by owners and associations concerning disputes over liens and other violations of association policy or law. This is unlikely to create any significant new costs for county municipal courts and courts of common pleas. Overall, the bill is most likely to have a greater effect on urban and suburban counties, where most of these planned communities are situated, than on rural counties.

The bill identifies three instances in which an individual or association would be required to file with the county recorder's office: (1) the initial declaration and bylaws for the establishment of a new planned community, any new declaration and bylaws created for an existing planned community, or any declaration and bylaws of an existing planned community that are already in force upon the bill's effective date, (2) any subsequent amendments made to the declaration or bylaws, and (3) any lien placed on an individual lot by the association for payment of assessments, charges, and other fees and costs. The bill also applies to existing non-condominium developments that wish to have the status of a planned community. In all these cases, county recorders would process the required instruments and collect the filing fees.

While it is difficult to predict how many existing communities might declare as planned communities or how many new communities may be developed as a result of the bill, a majority of these planned communities are likely to be located in predominantly urban or suburban counties. Recorders' offices in these counties would thus incur some new costs for processing the necessary legal instruments, most if not all of which would be offset by recordation fees. Both new expenses and revenues would depend upon the number of (1) newly formed planned communities, (2) amendments to declarations and bylaws, and (3) liens placed on property owners in a community.