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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 92  
(1\_136\_2777-1)  
136<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 92's Bill Analysis](#)

**Version:** In House Local Government

**Primary Sponsors:** Reps. Johnson and McClain

**Local Impact Statement Procedure Required:** No

Tom Wert, Senior Budget Analyst, and other LBO staff

### Highlights

- The bill prohibits a municipal corporation from refusing or from discontinuing municipal utility services to a tenant or landlord of a residential premises for nonpayment by a former tenant. This could result in a slight decrease in revenue collected for municipal utility services. However, the magnitude of any loss is uncertain because the frequency with which this tactic is employed is uncertain.
- The bill restricts certification of unpaid sewer and water charges to the property tax duplicate in several scenarios (tenant-contract debts, nonowner-occupied properties, transfers to electing subdivisions, sheriff/auditor sales, and forfeitures). These changes will likely reduce municipal utility revenue recovery and increase administrative costs for municipalities and counties.
- The bill extinguishes liens when property transfers to a county land reutilization corporation and immunizes the corporation from collection actions, further reducing guaranteed collections.

### Detailed Analysis

#### Municipal service fees

The bill makes changes regarding a municipal corporation's collection of unpaid fees and charges for municipal utility services<sup>1</sup> and has uncertain fiscal effects. First, it prohibits a municipal corporation from refusing or discontinuing a municipal service to a landlord, present

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<sup>1</sup> Under the bill, municipal services include water, sewer, natural gas, electric, or other utility service supplied by a municipal corporation.

tenant, or prospective tenant at a residential premises based on nonpayment for the service by a former tenant of the premises. This change may create a slight loss of revenue for municipal corporations that employ this tactic. However, it is unclear how frequently this may occur and the amount of lost revenue that could be suffered by a municipal corporation is uncertain. The bill also allows a municipal corporation to withdraw and expend any security deposit collected by the municipal corporation from any tenant for municipal utility services for nonpayment of those services. It also clarifies that a municipal corporation may discontinue municipal utility services to tenants who are in arrears 30 days or more. Given that municipal corporations likely have the ability to collect and expend security deposits and discontinue services for nonpayment under home rule, these changes appear to have no fiscal effect.

Additionally, the bill limits certification of unpaid sewer and water charges to the property tax duplicate unless the debt arose from a service contract directly with an owner-occupant. Certification is prohibited for tenant-contract debts, nonowner-occupied properties, and properties transferred under certain circumstances. County auditors must remove improper charges upon notice and accept separate payments for certified water liens. These changes will likely reduce municipal utility revenue recovery and increase administrative costs for municipalities and counties.

The bill also extinguishes liens when property transfers to a county land reutilization corporation and immunizes the corporation and successors from collection actions, further reducing guaranteed collections. Municipalities may still pursue direct legal actions against the liable party, which may increase administrative and legal costs.

## **Synopsis of Fiscal Effect Changes**

Compared to the previous substitute bill (L\_136\_0330-2), this substitute version (L\_136\_2777-1) eliminates eviction-related provisions, removing anticipated increases in municipal and county court workloads and associated revenues from eviction filings.

L\_136\_2777-1 introduces new restrictions on certifying unpaid sewer and water charges to the property tax duplicate, requires lien removal upon notice, and extinguishes liens when property transfers to a county land reutilization corporation. These changes will likely reduce municipal utility revenue recovery and increase administrative costs for municipalities and counties.