Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Am. H.B. 458** DATE: **May 14, 2008**

STATUS: **As Reported by House Ways & Means** SPONSOR: **Rep. Uecker**

LOCAL IMPACT STATEMENT REQUIRED: **No — Permissive**

CONTENTS: **To authorize counties and townships to use general levy moneys for certain road and bridge expenses and clarify laws concerning township health care coverage**

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Counties and Townships			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase in county and township road and bridge construction costs	Potential increase in county and township road and bridge construction costs	Potential increase in county and township road and bridge construction costs
	Potential decrease in township health care costs	Potential decrease in township health care costs	Potential decrease in township health care costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- ***County and township road and bridge construction and repair*.** The bill permits counties and townships to use a portion of general revenue funds for road and bridge construction, reconstruction, resurfacing, and repair, in addition to gas tax, motor vehicle license tax, and other moneys designated for these purposes. This flexibility may lead to counties and townships undertaking some small projects that would have otherwise been financed through the passage of road and bridge improvement levies.

- ***Township health care coverage*.** The bill clarifies language that would allow townships to continue reimbursing officers and employees for the share of costs under a spouse's health plan. This is advantageous because the share of premium under a family plan is typically less expensive than individual coverage. Some townships have ceased these reimbursements under instruction by the Auditor of State. If those townships were able to resume these reimbursements, it could potentially result in a decrease in health benefit costs.

Detailed Fiscal Analysis

Construction and repair of county and township roads and bridges

The bill would give counties and townships the ability to use a portion of general fund moneys for current expenses related to the construction, reconstruction, resurfacing, and road and bridge repair. Under current law, only gas tax, motor vehicle license tax, and revenues derived from voted levies to fund such projects may be used for these purposes. For more detail on the legal restrictions on the use of general levy moneys, please consult the LSC bill analysis.

This could result in some minimal increase in county and township spending on road and bridge repair for small projects that may not otherwise have been completed. Overall, however, the bill would not likely lead to any direct net change in overall county or township revenues or expenditures. This is because, presumably, general fund moneys for road and bridge projects would only be tapped when available.

Township health benefits

The bill clarifies existing law regarding health benefits provided to township officers and employees and the circumstances under which they may be reimbursed for certain costs incurred for health insurance coverage. Please consult the LSC bill analysis for an explanation of how townships may obtain, pay for, and reimburse officers and employees for health insurance coverage. One change the bill makes that appears to have some fiscal effect concerns premium reimbursements made in situations where an officer or employee is covered under a spouse's health plan.

Typically, many townships offer to reimburse officers or employees for their share of premiums under a spouse's family health plan. This results in reduced costs for townships, since usually the portion of premium for a person covered under a family health plan costs less than covering the person under an individual plan. However, the Auditor of State's Office has recently determined that these reimbursements are not permissible, and has sought findings of recovery in cases where townships have been making these reimbursements. As a result, some townships have ceased this practice. Presumably, if townships were again permitted to make these reimbursements, there could be some savings in officer and employee benefit costs.

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