

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Sub. S.B. 36** DATE: **November 14, 2007**

STATUS: **As Enacted – Effective February 29, 2008** SPONSOR: **Sen. Schuler**

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

CONTENTS: **To permit a township with a population of greater than 3,500, but less than 5,000 in its unincorporated territory to adopt a limited home rule government and to authorize transportation projects entered into on or before May 1, 2008 between transportation improvement districts and two or more government agencies for the joint financing of transportation projects**

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Townships			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase in costs should a township elect to adopt these home rule powers	Potential increase in costs should a township elect to adopt these home rule powers	Potential increase in costs should a township elect to adopt these home rule powers

Note: The state fiscal year is July 1 through June 30. For example, FY 2008 is July 1, 2007 – June 30, 2008.

- The bill permits a township with greater than 3,500, but fewer than 5,000 residents in its unincorporated area to adopt a limited home rule government if the township meets certain criteria. There may be new election costs if a township pursues this option via the ballot, as well as new payroll expenses for hiring a township administrator.
- Presumably, a township would consider this option if it felt, for example, that it could provide better fire and police protection on its own, or believed that it requires new authority for zoning and building standards.



Detailed Fiscal Analysis

Criteria necessary to adopt limited home rule powers

In order for a township with greater than 3,500, but fewer than 5,000 residents in its unincorporated area to adopt limited home rule powers, the township must meet certain criteria established in the bill. First, the electors of the unincorporated area must petition the board of township trustees to adopt a limited home rule government, and the petition must contain the signatures of at least 10% of the electors in the unincorporated area. Second, the board of township trustees must appoint a township administrator. Finally, the total budget of the township must be \$3.5 million or more. If these conditions are met, then the township is permitted to submit the issue to the voters of the unincorporated area. According to 2000 decennial census data, there are 131 townships in Ohio that have greater than 3,500, but less than 5,000 residents.

Fiscal effect

Should a township decide to exercise the option provided in the bill to adopt limited home rule powers, there may be some costs associated. First, the township is required to appoint a township administrator. There would be increases for compensation and benefits to this employee. Additionally, there would be some minimal costs for placing the issue of home rule on a ballot.

Limited home rule powers would allow the township to do the following:

- (1) Exercise all powers of local self-government within the unincorporated area of the township, other than powers that are in conflict with general laws, subject to certain limitations.
- (2) Adopt and enforce, within the unincorporated area of the township, local police, sanitary, and other similar regulations that are not in conflict with general laws or otherwise prohibited.
- (3) Supply water and sewer services to users within the unincorporated area of the township in accordance with sections 504.18 to 504.20 of the Revised Code.
- (4) Adopt and enforce within the unincorporated area of the township any resolution of a type described in section 503.52 of the Revised Code.

Presumably, townships would opt to use home rule powers to provide certain services such as police, water and sewage, as well as building codes where it is cost effective and where they believe they can provide better services than under current arrangements. Currently, these services for unincorporated areas are generally provided by either the county, or some other political subdivision under arrangements made between these entities. The powers granted to smaller townships meeting the bill's criteria would seem most useful to those that exist in areas near or surrounded by urban areas. The bill also makes one other small change, allowing certain qualifying townships to be designated "urban townships."

Transportation improvement districts

Am. Sub. H.B. 66 of the 126th General Assembly, the main operating appropriations act for FYs 2006-2007, included uncodified law that created the temporary ability for transportation improvement districts (TIDs) to enter into agreements with two or more other governments for the joint financing of transportation projects. Related to this provision, Am. Sub. H.B. 66 also amended section 133.09 of the Revised Code to allow a township through such a joint financing agreement to incur its share of a project's debt without a vote of its electors. Am. Sub. H.B. 67 of the 127th General Assembly, the transportation budget act for FYs 2008-2009, included nearly identical uncodified law language that extended the authority to enter into these agreements from December 31, 2005 to December 31, 2007. However, Am. Sub. H.B. 67 inadvertently did not update section 133.09 of the Revised Code to reflect the extension. As a result, it is possible that townships would not have the authority to participate in their share of project debt without a vote of its electors.

To correct this situation, this bill further extends the authority for TIDs to enter into joint financing agreements to May 1, 2008 and amends section 133.09 of the Revised Code to reference the uncodified law in Am. Sub. H.B. 67, which allows townships the authority to incur debt from such transportation projects.

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