



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 347 of the 129th G.A.](#) **Date:** February 16, 2012
Status: As Reported by House Local Government **Sponsor:** Rep. Anielski

Local Impact Statement Procedure Required: No

Contents: Authorizes nonchartered village councils to be composed of five instead of six members and authorizes council members' terms of office to be nonstaggered

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The bill provides a way for statutory nonchartered villages to reduce council membership from six to five members, either by ordinance that is subsequently approved by voters, or by initiative. There appear to be 629 nonchartered villages in Ohio.
- There will be lower council member compensation costs for village councils that reduce membership under the bill. For most village councils, the annual savings will be in the range of a few thousand dollars.

Detailed Fiscal Analysis

The bill authorizes the legislative authority of a nonchartered village to be composed of five rather than six members, either by ordinance or resolution that is subsequently approved by the voters, or by initiative. The bill also permits the terms of council members to be nonstaggered. According to Ohio Municipal League records and 2010 decennial census data, there are 691 villages in the state of Ohio. Of these, 629 appear to be statutory nonchartered villages. Because statutory nonchartered villages have the discretion to set council member salaries, the savings derived from reducing council membership by one position will vary from village to village. Although LSC did not undertake a comprehensive survey of council member salaries, a cursory review suggests that annual council member compensation in statutory nonchartered villages generally falls within the \$2,500 to \$15,000 range. The table below shows an estimate of the possible savings if all of the 629 statutory nonchartered villages were to reduce council membership to five positions at various salary levels. Assuming that most council members are paid on the lower end of the compensation scale shown in the table, total statewide savings are likely to fall in the lower range of potential savings indicated.

Effect of Reducing Village Council Size from Six to Five Members (629 Statutory Nonchartered Villages)	
Council Member Compensation	Potential Annual Savings Statewide
\$2,500	\$1,572,500
\$5,000	\$3,145,000
\$10,000	\$6,290,000
\$15,000	\$9,435,000