



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Am. S.B. 238 of the 129th G.A.

Date: April 4, 2012

Status: As Passed by the Senate

Sponsor: Sen. Lehner

Local Impact Statement Procedure Required: No

Contents: Township officers and candidates filing financial disclosure statements

State Fiscal Highlights

STATE FUND

FY 2013 – FUTURE YEARS

Ohio Ethics Commission Fund (Fund 4M60)

Revenues

Gain of up to \$37,000 or more annually

Expenditures

Potential increase of up to \$90,000 annually,
likely to be covered by appropriated money that would otherwise lapse

Note: The state fiscal year is July 1 through June 30. For example, FY 2013 is July 1, 2012 – June 30, 2013.

- The bill's required filing fee will generate up to \$37,000 or more annually for deposit to the credit of the Ohio Ethics Commission Fund (Fund 4M60). The Commission's annual cost to administer the related financial disclosure statements, primarily in the form of personnel, may run as high as \$90,000. Due to unexpected savings in its available appropriations, the Commission expects to absorb these additional costs within its current operating budget.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill requires elected and appointed township officials for townships with populations of 5,000 or more, as well as candidates for those positions, to file financial disclosure statements annually with the Ohio Ethics Commission under the Ethics Law.

Filing fee revenue

The bill requires all filers to pay a filing fee of \$35 which will be deposited to the credit of the Ohio Ethics Commission Fund (Fund 4M60). Census data from 2010 indicates that there are approximately 267 townships in the state with populations of 5,000 or more. Each township has three trustees and a fiscal officer, which means that at least 1,068 (267 x 4) individuals would be required to file with the Commission annually. The resulting revenue gain will be up to \$37,380 (\$1,068 x \$35) or more annually, depending on the number of candidates running for a given position in a given year.

Under current law, unchanged by the bill, the trustees and fiscal officer of each township serve four-year terms with staggered elections occurring in odd-numbered years. In 2011, one township trustee and the fiscal officer were elected. In 2013, the remaining two trustees will be elected. That said, the amount of revenue generated will likely be greater in odd-numbered years as candidates for each position will be filing financial disclosure statements in addition to the elected officials. The amount of any increase will depend on the number of contested races statewide.

Commission expenditures

As a result of more than 1,000 additional filings annually, the Commission may need additional staff to receive and review the financial disclosure statements of townships with populations greater than 5,000. The increase in expenditures could be as much as \$90,000 annually to pay for additional staff and equipment that will likely be needed to handle the influx of filings. Due to a combination of factors, including positions remaining vacant, reduced salaries, and other efficiencies, the Commission expects to lapse some of its available appropriations. As a result, the Commission will have a cushion that is expected to allow the additional expenditures to be absorbed within its current budget.