

Introduction

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Why is this report being issued?

This report has been produced according to the requirements of section 103.143 of the Ohio Revised Code (ORC). Therein it is stated that the final local impact statements shall be completed for all laws passed by both houses of the general assembly in the preceding year.

As specified in ORC section 103.143, the Local Impact Statement (LIS) Law, this report is a compilation of estimates produced by LSC *during* the legislative process. This report is **not** an analysis of the *actual* costs to local governments of implementing enacted legislation.

What's in this report?

This report covers calendar year 1998 and is the fourth annual compilation of final local impact statements and local government association comments. This report includes:

Comments from Ohio's local government associations: Commentary on the LIS law and this report by the County Commissioners Association of Ohio, the Ohio Municipal League, the Ohio School Boards Association, the Ohio Township Association, and the State and Local Government Commission.

Analyses: Analyses of bills with local impact passed in 1998 that became law and of the relationship between local impact and bill passage.

Local Impact Statements: The full Local Impact Statements (LIS) for all bills becoming law in 1998 are provided in Part II. The requirement for a local impact statement is triggered by fiscal effects estimated for a bill in its "As Introduced" form. Occasionally, LSC's fiscal staff will make a local impact determination in its initial review that is changed during the writing of the LIS because it was determined that the initial review determination was incorrect. Throughout this report, such bills will be listed and analyzed using the corrected determination. This report contains local impact statements for the 21 bills with local impact "As Introduced."

Five of the 21 bills that had a local impact "**As Introduced**" no longer had an impact on local governments "**As Enacted.**" Two bills with no local impact "As Introduced" were altered so that they did have a local impact "As Enacted." Therefore, a net total of **18** bills actually would have been determined by the LSC to have an impact on local governments "As Enacted."

What's not in this report?

In 1997, the first modification was made to the Local Impact Statement Law since its enactment in 1994. HB 215 of the 122nd General Assembly, the FY 1998-1999 budget bill, included a provision that excluded any of the following from LIS requirements:

The main biennial operating appropriations bill

The biennial operating appropriations bill for state agencies supported by motor fuel tax revenue

The biennial operating appropriations bill or bills for the bureau of workers' compensation and the industrial commission

The bill that primarily contains corrections and supplemental appropriations to the biennial operating appropriations bill

The main biennial capital appropriations bill

The bill that primarily contains reappropriations from previous capital appropriations bill

No bills enacted in 1997 were affected by this change. The first bills affected were the budget correction bill and the capital reappropriations bill passed in 1998. In 1999, the main biennial operating appropriations bill was exempted for the first time from the LIS requirement. An LIS was required for the education appropriations bill. Because H.B. 283 of the 124th General Assembly, the main appropriations bill, exempted "any other bill that makes the principal biennial operating appropriations for one or more state agencies," all future budget appropriations bills will be exempted from the LIS Law requirements.

How do I know if a bill has a fiscal impact?

LSC considers a bill to have a fiscal impact on one or more local governments if the aggregate annual cost of the bill is more than \$100,000 for all affected local governments. A bill is also considered to have a local impact if one the following criterion are met:

The estimated annual cost is more than \$1,000 for any affected village and township with a population of less than 5,000 or for any school district with an average daily membership (ADM) of less than 1,000.

The estimated annual cost is more than \$5,000 for any affected county, municipal corporation, and township with a population of 5,000 or more or for any school district with an ADM of 1,000 or more.

Finally, in determining whether a bill has a local impact, LSC adheres to guidelines that **exclude** legislation determined to be:

Permissive in nature

Only of minimal cost as defined using criteria described above (net of any revenues or savings)

The result of a federal mandate

How can I obtain copies of this report?

Copies of this report are available upon request from the Ohio Legislative Service Commission at a cost of \$12.00 per copy. Copies can be requested by calling the Ohio Legislative Service Commission at 614-644-7786.