



OHIO TOWNSHIP ASSOCIATION

The Ohio Township Association (OTA) would like to thank the Ohio Legislative Service Commission (LSC) for the opportunity to comment on the proposed 2001 Local Impact Statement Report. The LSC Local Impact Report helps educate our membership and the members of the General Assembly on the affect certain legislation will have on townships' budgets and keeps legislators and local officials aware of any unfunded mandate created in legislation proposed and passed by the General Assembly.

A bill is determined to have fiscal impact if its estimated annual cost is more than \$1,000 for townships with a population of less than 5,000 or if its estimated annual cost is more than \$5,000 for townships with a population of more than 5,000. Although \$1,000 or \$5,000 may not seem like a great deal of money when compared with the total budget of the township, the loss of such revenue may create a significant impact.

As we have stated in the past, the fiscal impact legislation may have on townships often is under appreciated. Provisions established in legislation such as filing, notification and public hearing requirements could create significant costs for townships. The OTA is pleased that LSC takes such costs into consideration when determining local fiscal impact. Although the actual impact these new laws will have on townships will not be known until the laws are put into practice, the fiscal analyses provide a base for our townships to determine how a new law may affect their budgets. According to the 2001 report, there are six bills with a local impact for townships, potentially resulting in a loss of dollars for township governments.

The definition of employing unit was expanded in House Bill 157 to include a township or a department designated by the board of township trustees. In addition to the comments made by LSC regarding H.B. 157, we feel that this bill will certainly create a potential loss for townships in the immediate future but could be a cost savings measure in the long run. Townships could lose money when offering retirement incentives to employees. However, a potential savings is created by not having to offer the retirement incentives to all township employees.

Senate Bill 5 was one of our legislative priorities for the 124th General Assembly. We were very pleased to see this legislation passed and enacted. While LSC has expressed a varied net effect for townships in future years, they have expressed a potential loss in revenue for municipalities. The Ohio Township Association respectfully suggests otherwise. A municipality will gain revenue from inside millage on the land annexed and any income tax that is levied. This increase in revenue will far exceed any minimal costs the municipality incurs in the annexation process.

A municipality annexes land solely for the revenue the property will bring in and would not accept the annexed land if it would create a potential loss for the community.

Finally, the Ohio Township Association believes townships should have been included in the list of local governments that potentially could lose revenue from Senate Bill 136. The statement was made in the S.B. 136 LIS that “local health departments situated in rural counties may realize more of an impact due to the exemptions of farm markets, farmers markets, and farm product auctions.” Townships fund almost entirely county health districts and thus in the rural counties that may lose revenue from such exemptions, townships may be asked to pay more money to help make up the loss in revenue.

The OTA appreciates the opportunity to provide our input and we look forward to working further with the Legislative Service Commission.