



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 2003 Local Impact Statement Report. The LSC Local Impact Report helps educate our membership and the members of the General Assembly on the effect certain legislation will have on townships budgets and keeps legislators and local officials aware of any unfunded mandates created in legislation.

The fiscal impact legislation may have on townships often is under estimated. 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.

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. According to the 2003 report, there are three bills with a local impact for townships, potentially resulting in a loss of dollars or increased expenditures for township governments.

The Local Impact Statement Report is not as inclusive as we would like it to be. Legislation passed in the last several years eliminates the requirement of a local impact statement (LIS) for the biennial operating budget and the Department of Transportation's budget. Due to this exemption from the LIS process, major pieces of legislation that affect local government revenue are not included in this Report.

Significant fiscal impacts were incurred by townships, and other local governments, as a result of the state's budget process. Financial hardship was experienced due to the Local Government Fund being reduced three percent, the accelerated phase out of the tangible personal property tax, the phase out of the state's reimbursement of the \$10,000 exemption for business personal property, and clerks' salaries being increased in townships with budgets over \$6 million. At the same time, townships were able to save, and even receive, money with increased competitive bidding thresholds, open-ended purchase orders, increased force account limits and by permitting the Amish to donate money to local governments for road maintenance and repair.

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