



OHIO TOWNSHIP ASSOCIATION

On behalf of the Ohio Township Association (OTA), I would like to thank the Ohio Legislative Service Commission (LSC) for the opportunity to comment on the 2004 Local Impact Statement Report. The LSC Local Impact Report is an important educational resource for our members and the members of the General Assembly. The report highlights 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 underestimated. 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 2004 report, there are three bills with a negative fiscal impact on townships, one bill with a positive fiscal impact, and three bills with an indeterminate impact potentially resulting in a loss of revenue, increased expenditures, gain of revenue, or reduction in expenditures for township governments.

For example, House Bill 427 has a negative impact on township government. This legislation increases from 10 years to 15 years the number of years property within an enterprise zone may be exempt from taxation. Enterprise zones are created to attract business investments and jobs. Townships do not have the authority to create enterprise zones in an unincorporated area of the state but counties may. When a county creates an enterprise zone, thus exempting property within a township from taxation, the township will lose revenue and will see an increased cost to provide services to land that is now developed.

On the other hand, House Bill 432 has a positive impact on townships. This legislation permits townships that have a construction and demolition debris (C&DD) facility located within their township to collect four cents per cubic yard or eight cents per ton of debris deposited at such facility. Prior to HB 432 townships could collect from solid waste facilities but not C&DD facilities. While the monetary amount is small, it

provides additional revenue to those townships with C&DD facilities to help offset the negative impacts of these facilities in communities.

The list included in this report is not inclusive of all legislation passed in 2004 that has a local impact on townships. House Bill 255 increases the charges a township may collect for responding to false fire alarms, which could result in an increase in revenue. House Bill 299 permits a township to place a road on non-maintained status, which could result in a decrease in township expenditures. House Bill 185 permits townships to pay some or the entire premium for employees' long-term care insurance. This bill, should the township adopt such a resolution, could result in increased expenditures.

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