



The Ohio Township Association (OTA) would like to thank the Ohio Legislative Service Commission (LSC) for the opportunity to comment on the *2009 Local Impact Statement (LIS) Report*. The LIS Report is an important educational resource for our members and the members of the General Assembly as it highlights the effect certain legislation passed the previous year 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 but the Legislative Service Commission has done a nice job of recognizing the impacts on local governments, specifically townships. A total of six bills enacted in 2008 had a fiscal impact on townships, according to the LIS Report. Most notably are Sub. HB 318 (Road Maintenance) and Am. Sub. SB 221 (Energy Standards).

Care and maintenance of the township road system is the largest function of townships today. Townships in Ohio are responsible for more than 40,000 miles of roads across the state. In 2004, legislation (HB 299) was enacted that permitted a township to place a gravel or unimproved road on nonmaintained status if there were no permanent residences on the road and the road was not the exclusive means of access to a piece of property. Sub. HB 318, enacted in 2008, makes changes to these provisions by altering the qualifications for when a road may be placed on nonmaintained status and requiring a township to remove a road from nonmaintained status, thus potentially increasing road costs for townships.

Effective July 31, 2008, Am. Sub. SB 221 revises the state energy policy relative to service price regulation and alternative energy portfolio standards. At first glance the short description of the bill may not indicate a local government impact but townships could be positively and negatively impacted by SB 221. According to the LSC Fiscal Note & Local Impact Statement for SB 221, townships could see potential revenue increase beginning in 2009 due to reduced electric rates but could see increased costs in out years when the alternative energy standards are completely phased-in. Additionally, some townships could see a potential increase in public utility tangible personal property tax revenue should the siting of alternative energy resources take place in the township.

While the *2009 Local Impact Statement Report* offers an analysis of legislation passed in 2008, it is not comprehensive. State budget bills are exempted from local impact statement requirements and, therefore, are not included in this report. The OTA encourages the General Assembly to include budget bills in the LIS report in order to provide a more comprehensive look at how legislation passed affects local governments. A procedure should be established by which local governments can contest new laws that are not fully funded, yet give the General Assembly adequate time to modify or fund the mandates they impose.

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 which townships can determine how a new law may affect their budgets. The Ohio Township Association appreciates the opportunity to provide our input and thanks the Legislative Service Commission for all of their hard work in compiling this data, as it is truly beneficial to legislators and local government groups.