

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Sub. S.B. 62 DATE: July 23, 1997

STATUS: As Reported by House Local Government and Townships SPONSOR: Sen. Blessing

LOCAL IMPACT STATEMENT REQUIRED: No — Permissive

CONTENTS: Allows counties and townships to participate in contracts for acquisitions; authorizes issuing of self-supporting securities to pay costs of improvements

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties and Townships			
Revenues	-0-	-0-	-0-
Expenditures	Potential savings	Potential savings	Potential savings

- This legislation would potentially save counties and townships money because it allows them to share the costs of making acquisitions. The political subdivision administering the contract may charge the participating subdivisions a reasonable fee to cover additional costs incurred due to their participation.
- The bill also allows counties and townships to purchase bonds and other self-supporting securities to cover the costs of acquisition and construction of their own and other counties or townships permanent improvements; any debts shall be secured by the improvements which are being financed. This section essentially would have no net fiscal impact.
- Lastly, provisions would allow counties and townships to sell machinery, equipment, tools, or supplies which is unfit for original intended use, and valued at \$2,500 or less, by private sale, without advertisement or public notification. This could save the costs of advertisements or other public notification.



Detailed Fiscal Analysis

The bill would allow counties and townships to join in contracts with other counties and townships, and to participate in joint purchasing programs administered through national or state associations of political subdivisions, to purchase equipment, materials, supplies, or services. Home rule powers under the Ohio Constitution, Article XVIII, give municipalities the right to join in contracts for these purchases, and only one county has exercised such authority. Townships do not have the authority to join in contracts. Because of the limitations on counties and townships can currently only join in contracts with other municipalities.

The joint purchasing programs of certain national and state associations offer products and services such as office supply purchases and insurance at greatly reduced costs from through independent contracting.

Under the bill, counties and townships would also have the authority to issue bonds and other self-supporting securities to pay for their and other political subdivisions' permanent improvements under this bill. Again, municipalities have the right to issue self-supporting securities under home rule powers. The bill would allow counties and townships the same ability.

Provisions would allow counties and townships to sell machinery, equipment, tools, or supplies which is unfit for original intended use, and valued at \$2,500 or less, by private sale, without advertisement or public notification. This could save the costs of advertisements or other public notification.

This legislation is permissive, and it has the potential for cost savings to the local governments.

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