



## OHIO TOWNSHIP ASSOCIATION

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The Ohio Township Association (OTA) would like to thank the Ohio Legislative Service Commission (LSC) for the opportunity to comment on the proposed *2015 Local Impact Statement Report*. The *Report* helps educate our membership and the members of the General Assembly on the effect certain legislation will have on township budgets and keeps legislators and local officials aware of any unfunded mandate created in legislation proposed and passed by the General Assembly.

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.

According to the 2015 report, there are three bills with a local impact on townships. It is projected that the Local Government Fund (LGF), of which townships receive revenue, will see a reduction in funds from the enactment of HB 19 and SB 208. Monies from the LGF are used in every community across the state and therefore affect every resident in Ohio. For most townships, the LGF is the second highest source of revenue for townships behind property tax collection of inside and outside millage. Townships do not have the ability to make up the lost LGF revenue by passing other taxes such as the income or sales tax. Any lost LGF revenue will require additional property tax levies. In a time when it is increasingly difficult to pass levies, this could mean reductions in services provided by the township or financial troubles.

Senate Bill 11 creates the Volunteer Peace Officers Dependents Fund to pay for death benefits to survivors of volunteer, part-time and reserve police officers killed in the line of duty or disability benefits to such officers if they become disabled. The bill requires each township or joint township police district that employs volunteer police officers to become a member of the fund and contribute certain amounts toward the fund. As noted by the SB 11 Fiscal Note & Local Impact Statement, the required initial premiums and future assessments will increase costs to townships that have their own police department or are part of a joint police district that employs volunteer police officers.

While the *2015 Local Impact Statement Report* offers an analysis of legislation passed in 2015, it is not as inclusive as we would like. 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 Local Impact Statement requirement 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 our townships to 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.