



## 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 *Local Impact Statement Report for Bills Enacted in 2012*. The LSC *Local Impact Statement 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.

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 Report, there are six bills with a local impact on townships. It is noted that the enactment of H.B. 197 could cause a potential loss in permissive local motor vehicle license tax revenue for townships. On the other hand, the enactment of H.B. 360 could provide a potential increase in wireless 9-1-1 revenue for jurisdictions.

It is projected that the Local Government Fund (LGF), of which townships receive revenue, will see a reduction in funds from the enactment of H.B. 508, H.B. 510, S.B. 340 and S.B. 342. For most townships, the LGF is the second highest source of revenue for townships behind property tax collection of inside and outside millage. 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.

While the *Local Impact Statement Report* offers an analysis of legislation passed in 2012, it is not as inclusive as we would like. House Bills 482 and 487 were enacted in 2012 but because they are considered budget bills, neither is subject to a local impact statement. 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.

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 its 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.