On behalf of the County Commissioners Association of Ohio, thank you for this opportunity to provide comments regarding the 2014 *Local Impact Statement Report*. As you note in the report, various bills are exempted from the LIS requirement. Consequently, the *Local Impact Statement Report* does not accurately capture the impact of state policy decisions on local governments. Primary among those exemptions is the state's biennial budget bill which, in addition to serving as a vehicle for the state funding plan, also contains significant tax and other public policy changes that impact county revenues and expenditures.

COUNTY FINANCES

Various Acts altering state tax policy (H.B. 492, S.B. 250, and S.B. 263) affect the revenue flowing into the state's general revenue fund and thereby the allocation to the Local Government Fund (LGF). Because 1.66% of state general fund revenues are transferred to the LGF, any fluctuation in the state's general fund receipts has a corresponding impact upon the amount of funding counties receive from the LGF. The LGF represents an important source of flexible funding to pay for various state-mandated programs and services counties are required to provide.

Through S.B. 243, the state chose to adopt a public policy of offering a sales tax holiday for back-to-school purchases during which time the collection of sales tax on various items was waived. In addition to the state portion of the sales tax, this waiver was also applied to the independently levied county portion of the sales tax and is projected to result in a loss of revenue to the counties. In such instances where the state modifies a local tax, we believe that it is appropriate for the state to identify a revenue replacement mechanism for the counties.

COUNTY GOVERNMENT RESPONSIBILITIES

Several Acts require counties to provide additional services and incur additional expenses. For example, sheriffs may experience additional workload associated with reviewing and investigating specific homicides and sex offenses (S.B. 316) or see an increase in sex offender registrations and the associated public notification requirements (H.B. 130). County government responsibilities are also acknowledged to be impacted by Acts that require changes to the administration of justice and the operation of the courts with respect to criminal justice reform (S.B. 143), the civil commitment process (S.B. 43), and child custody procedures (H.B. 313). We encourage vigilance against the creation of additional unfunded mandates.

COUNTY AS EMPLOYER/SERVICE PROVIDER

The operation of county government as an employer is also impacted by the actions of the General Assembly. Requirements to cover certain oral cancer medications may increase the county's employee health insurance premiums (S.B. 99). The PUCO being authorized to approve infrastructure development riders for natural gas utilities may increase a county's energy costs (H.B. 319). There may be new costs for those counties that operate county hospitals to comply with new policies on infant mortality (S.B. 276) or that provide hospice care to comply with new regulations to prevent the diversion of controlled substances containing opioids (H.B. 366).

CONCLUSION

Counties are uniquely tied to the state as the provider of state services at the local level on the state's behalf. The vitality and viability of this state/county partnership is directly impacted through all actions of the General Assembly. Therefore, CCAO urges the General Assembly to review **all** legislation enacted for its impact upon Ohio's local governments through the LIS process. Only then will the General Assembly and the public receive the true picture of the impacts that unfunded mandates and policy decisions have upon the counties and other local governments.

Again, CCAO thanks the Legislative Service Commission for the opportunity to comment on this report and wishes to acknowledge the professionalism and expertise of the LSC staff. Thank you.