

**HOUSE STATE AND LOCAL GOVERNMENT COMMITTEE
TESTIMONY – HOUSE BILL 720**

December 6, 2018

Anthony M. Vero
Commissioner, Richland County

Chairwoman Anielski, Vice-chairman Hambley, Ranking Member Holmes, and members of the State and Local Government Committee (“Committee”), thank you for the opportunity to speak before you today representing Richland County in opposition of House Bill 720, which would require voter approval of all county permissive sales tax increases.

“Counties are local subdivisions of a State, created by the sovereign power of the State, of its own sovereign will, without the particular solicitation, consent, or concurrent action of the people who inhabit them.” *Board of Commissioners v. Mighels*, 7 Ohio St. 109.

The distinguished members of this committee are cognizant of the fact that county governments do not possess “Home Rule.” We may act only when specifically authorized to do so under the auspices of state law as directed by you, the state legislature. Whereas “local level” political entities, i.e., municipalities, have expansive authority to exercise self-government granted to them by the Ohio Constitution; county governments do not. Proponents of House Bill 720 argue counties should receive similar treatment under Ohio law as other public entities at the local level. “All local governments such as school boards, townships, and cities must vote to place a levy on the ballot.” *Representative Niraj J. Antani, Sponsor Testimony House Bill 720, State and Local Government Committee, November 15, 2018*. They contend increases in taxes as passed by commissioners should be no different. “If an increase is going to occur at the local level, the people should have a say in approving it.” *Ibid*. While advocates of House Bill 720 are incorrect in their assertion that local governments may not increase taxes without voter approval (Ohio Revised Code 718.04 grants municipal corporations the right to levy an income tax up to 1% without voter approval.) county governments are simply not a form of local

government under Ohio law. “The county is a creature in the hands of the state as its creator subject to be modeled and fashioned by the state as the exigencies of the situation may require.” *Blacker v. Wiethel*, 16 OS (2d) 65. Thus, counties are not, and should not be, treated as local governments in requiring voter approval for legally capped sales tax increases as House Bill 720 sponsors desire.

Richland County, not dissimilar to the other 87 counties in Ohio, relies heavily on the income generated from our “piggyback” sales taxes. 62% of Richland’s 2017 General Fund revenue resulted from the collection of our “piggyback” sales tax. The revenue generated from that collection totaled \$20,534,401.76, and it remains by far the largest source of revenue for our County. Real estate taxes are the second largest source of revenue for us, but it is a mere 5.6% of our total revenue. The absence of county home rule makes the commissioners’ current ability under Ohio law to pass a sales tax increase up to 1.5% without voter approval extremely important. Losing the flexibility to exercise oversight over our county’s largest revenue source would be detrimental to our ability to provide the necessary services for our residents. It would have a particularly negative ripple effect in Richland as we are one of the few counties in the state of Ohio to share revenue generated from our sales tax with our other 27 political subdivisions (3 cities, 6 villages, and 18 townships). To date Richland County shared over \$86,000,000 of sales tax revenue with our political subdivisions since 1989. Our political subdivisions rely on us as commissioners to exercise the appropriate oversight when it comes to administering sales tax revenue.

In closing I want to impress upon the distinguished members of this Committee that our opposition to House Bill 720 is by no way an indication that we exercise the great responsibility of increasing costs for our residents with anything but the utmost fiscal care. Richland County’s combined sales tax of 7.0% ranks among the lowest in the state of Ohio. We do so while operating a 2018 budget that is a mere 3.8% more in expenses **than what it was in 2008 while inflation rose by more than 16% over that same time period.** We resist requests to increase our sales tax from both sides of the aisle.

The Richland County Board of Commissioners, as an extension of state government, are mandated to be our county’s fiduciaries. We do not treat this responsibility cavalierly, but



in the absence of home rule we need the continued ability, and the trust of our state legislature to be as such. Thank you for giving me the opportunity to represent the great county of Richland today. I, on behalf of my fellow commissioners, respectfully request you reject House Bill 720, and I am pleased to answer any questions you may have.