



OHIO TOWNSHIP ASSOCIATION

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**House State & Local Government Committee
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Proponent Testimony
Am. HB 69 TIFs**

Good morning Chairman Ecklund, members of the Senate Ways & Means Committee. On behalf of the Ohio Township Association (OTA) and the Coalition of Large Ohio Urban Townships (CLOUT), thank you for the opportunity to testify in support of Am. House Bill 69.

Am. House Bill 69 requires the reimbursement of certain fire and EMS levies (enacted pursuant to R.C. §§505.39 and 5705.19(I) and (JJ)) if the township is the entity providing the fire protection and emergency management services to the tax increment financing district created by the municipality pursuant to R.C. §5709.40. Am. HB 69 provides that a board of township trustees could waive, by resolution, the reimbursement or negotiate a lesser amount with the municipality.

Townships, unlike other forms of local government, have very limited funding streams. Townships do not levy income or sales taxes and do not receive casino revenue. They are primarily funded through property taxes levied on real property within the township. It is important to note that, statewide, townships only collect approximately 6 percent of the property taxes levied by schools and local governments.

The OTA and CLOUT strongly support this legislation, as this has been an issue for over ten years. In 2006, changes were made to the TIF law to require counties to sign off on municipal TIFs because county service levies are directly impacted by the granting of TIF districts. Subsequently, the General Assembly passed legislation requiring service payments in lieu of taxes for specific county service levies and park levies.

Township levies are not granted the same courtesy as county levies when land lies within the township and the municipality, such is the case when land is annexed under R.C. §709.023. As you heard in Sponsor Cupp's testimony, townships across the state routinely provide safety services, such as fire and EMS, to those annexed municipal residents. For example, Franklin County has multiple townships that are providing the fire and emergency medical services to the joint residents.

When a municipality creates a TIF and receives the increased tax revenue, the township safety service levy suffers. The township has more demand placed on their services but does not see an increase in funding. When these townships place a levy on the ballot, their residents expect that all revenue generated from said levy will go for the purpose of providing safety services to the entire township. This includes all township territory, including the recently annexed areas that are newly developed. Yet, the increased valuation from those areas is not available to the township.

Mr. Chairman and members of the Committee, the OTA and CLOUT urge your support of Am. HB 69. The lost tax revenue that you will hear about from township witnesses is staggering. I appreciate the opportunity to testify and would be happy to answer any questions you may have.