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House Bill 166 – Operating Budget House Finance Subcommittee on Agriculture, Development, and Natural Resources April 11, 2019

Good morning Chairman Hoops, Ranking Member Hicks-Hudson, and members of the House Finance Subcommittee on Agriculture, Development, and Natural Resources. On behalf of Ohio's 1,308 townships, thank you for the opportunity to testify on House Bill 166, the operating budget.

Ohio townships provide essential services to 35 percent of the state's residents. Over the years, as costs rise and state support has decreased, it has become increasingly difficult to meet citizens' needs. With reductions to the Local Government Fund, elimination of the estate tax, and accelerated phase-out of TPP reimbursements, townships have been hit hard by budget cuts – to the tune of \$133 million.

I would be remiss if I did not say thank you for this body's recent actions involving the passage of HB 62, which will provide an increase in funding to townships for road maintenance and repairs. Our members appreciate your support and would like to continue the conversation on local government funding for other vital services provided by townships.

Township Funding

Townships in our state are still in great need of general funding. Unlike counties and municipalities, townships do not levy sales or income tax; therefore, they are heavily reliant on property tax. The recent cuts in state funding over the last eight years have forced townships to go to local voters for additional revenue. Townships across the state lost over \$26 million in Local Government Fund revenue alone when the Fund was slashed in half.

Local residents have filled some of the hole left by state revenue sharing reductions. However, townships still have to keep the lights on and pay for basic administration – and this comes out of the general fund, where money is greatly lacking.

HB 166 will provide additional revenue to the LGF in FY '20 and FY '21 through the diversion of programmatic funding to the GRF. The OTA appreciates this bump in the LGF, and we request that the General Assembly continues to support local government with their funding needs.

Additionally, HB 166 continues to provide revenue for townships explicitly for their use. In 2015, the General Assembly allocated \$10 million per year for townships. This allocation has been retained in the last two operating budgets and is included in HB 166. The OTA appreciates that this revenue is available exclusively for townships, but we are requesting some additional revenue be directed to this fund to help townships struggling to recover from the drastic cuts over the last eight years.

Indigent Burials

HB 166 provides \$60 million in needed support to counties for indigent defense costs. This money comes as a reimbursement for those services.

Like the counties' issue with indigent defense funding, townships also bear a heavy burden with indigent burials. With the opiate epidemic, indigent burials are a significant cost for some Ohio townships. Townships formerly received reimbursement through ODJFS, but that funding was removed in 2001. The OTA requests support from the state to help cover the cost of these burials.

Solid Waste Fees

Solid waste and construction & demolition debris (C&DD) facilities have an impact on local communities. State law authorizes host communities to levy a per ton fee for solid waste and C&DD facilities, otherwise known as a host community fee. House Bill 166 extends current solid waste fees through 2022. The host community fee has not been increased for either solid waste or C&DD, and the OTA is asking for consideration to allow host communities to charge more per ton.

Auditor of State Funding

Included in HB 166 is \$10 million in funding that will be used by State Auditor Faber to supplement the cost of local government audits. Without this additional funding, townships, which are required to be audited every two years, will bear the higher audit costs when resources are already strained. The OTA supports Auditor Faber's request and his office's efforts to keep audit costs affordable for townships.

Potential Amendments

As you know, townships are creatures of statute and require express or implied authority in law to provide services, develop regulations, and generally run their local jurisdictions. As such, the OTA is pursuing several smaller changes to be included in HB 166 that will help townships meet the needs of their residents.

Transfer of Cemeteries

Townships are required to take control of cemeteries from religious or benevolent organizations without stipulation. For example, there is no requirement that a church transfer cemetery records or cemetery funds to the township should they wish to transfer a cemetery. Furthermore, there is nothing to prevent a cemetery from being transferred simply because a church or benevolent society wishes to stop caring for it. The OTA would like to put some minimum standards in place regarding the transfer of cemeteries and clarify the process by which an entity may transfer a cemetery.

Noise Regulations

Townships can regulate noise in any area zoned for residential use or to which a D liquor permit has been issued. The OTA requests an amendment that would permit a township to regulate noise township-wide.

Excavation Notification

Under current law, a company is required to file for a permit for new projects in township rights-of-way. However, no permit is required for an excavation to repair or replace an existing pole or line. The OTA requests that a company simply be required to provide advanced notice to a township fiscal officer if they will be in the township right-of-way.

Notice of Conforming Boundaries

When a city or village conforms boundaries, it has a fiscal impact on the township. The OTA requests that a municipality be required to provide adequate advanced notice to townships before acting on a resolution to conform boundaries.

Nuisance Statute Consistency

Townships have three nuisance statutes in the Revised Code that help them deal with structures, property and junk vehicles. Unfortunately, all three of those statutes use different language as it relates to the enforcement of collecting on the costs a township incurs to abate said nuisance. The OTA is seeking an amendment that updates the code and makes all three sections uniform.

Use of Comp Time

Current law allows counties and municipalities to authorize the use of compensatory time for employees. The OTA requests that townships also be given this explicit authority.

As the House works through the biennial budget, we would encourage consideration of the partnership between state and local governments – a partnership that we hope continues to grow. The OTA would again like to thank this committee for its time and consideration of our requests. Chairman, thank you for allowing me to testify today, and I would be happy to answer any questions the committee members may have.