

Committees:

Finance and Appropriations, Ranking Member
Agriculture and Rural Development
Ways and Means

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WAYS AND MEANS COMMITTEE - RM 121

SPONSOR TESTIMONY – HB 538

REP. JACK CERA

TUESDAY, NOVEMBER 27, 2018

Chairman Schaffer, Vice Chair Scherer, and members of the House Ways and Means Committee, thank you for the opportunity to provide testimony on House Bill 538. HB 538 is a simple bill that will make an enormous impact, restoring the relationship between the state and our local counterparts and empowering localities to provide the vital services all of our constituents rely upon.

Members of this committee are no doubt aware of the cuts made to the local government fund (LGF) over the past several General Assemblies. The LGF in Fiscal Year (FY) 2010-2011 had \$694.4 million in it. Since that time, formula changes and rate cuts have brought that number down by over \$300 million in the most recent budget.

Local governments have also seen a significant reduction in other sources of funding. The elimination of the estate tax, the loss of MCO sales tax revenues and the removal of the municipal "throwback" provision are just a few recent examples of the many ways that local governments have been squeezed.

HB 538 restores the LGF to the same percentage of state revenue that the fund received in FY 2005, 3.53%. The increase would begin in 2019 and continue each fiscal year thereafter.

When people think about the role of government in their lives, much of what comes to mind is provided at the local level. Trash collection, police and firefighters, filling potholes and clearing roads of snow. Local governments oversee all these services and more.

It is time to revisit and to restore the partnership between the state and local governments. By providing them with the resources they need, HB 538 would directly benefit the taxpayers of Ohio who we all serve. Due in part to the reductions in state support for the LGF, many local governments have had to increase fees and local property taxes to provide services placing an additional taxes and costs to their residents. This tax shifting has not provided overall benefit to taxpayers and has placed an additional burden on tax costs for senior citizens.

Thank you for your attention and consideration of HB 538. I will be happy to answer any questions the committee may have.