



Ohio Township Association

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**Senate General Government Subcommittee
Am. Sub. HB 49
Interested Party Testimony
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Good afternoon Mr. Chairman and members of the Subcommittee. On behalf of the Ohio Township Association (OTA), thank you for the opportunity to testify before you to express our views on several township items included in the "As Passed by the House" version of House Bill 49, the biennial budget bill.

Township Items Included in Am. Sub. HB 49

During the committee process in the House, several amendments were added to Am. Sub. HB 49 directly impacting township government. The OTA appreciates the continued inclusion of the following items in HB 49, as all of these provisions offer townships flexibility to provide cost-efficient and effective services. We appreciate your willingness to retain the items that were included in the "As Passed by the House" version.

- ***LGF Revenue and Additional Revenue to Townships*** - Included in Am. Sub. HB 49 is language codifying the percentage (1.66%) of the total tax revenue credited to the general revenue fund that is dedicated to the Local Government Fund. Additionally, there is language codifying the \$10 million distribution to townships, first started in 2014.
- ***Commercial Advertisements on a Township Website*** - Many townships across the state utilize a website to be used as a public information service. The township websites provide easy access to officials, personnel, public issues, safety, policy documents and other general information for the community. A township website may contain links to outside websites to provide information to the public regarding services available to the public from the township and the new language permits the selling of commercial advertising as a means to defray the cost of providing the service.
- ***Transient Vendor Registrations in Townships*** - R.C. §505.94 permits a board of township trustees to require registration by vendors and impose time, place and manner restrictions on sales calls. There have been several federal court cases that have nullified certain aspects of R.C. §505.94 and, thus, the language included in Am. HB 49 clarifies Ohio law so that township resolutions would not violate the court decisions.
- ***Transfer of Funds in a Township*** - Pursuant to R.C. §5705.14, a township may transfer an unexpended balance in a special fund to the township's general fund when the activity, service, or undertaking for which the special fund was created has terminated. Before such funds may be transferred, a township shall

pass a resolution at a public meeting declaring the necessity for the transfer of funds, prepare a petition for the court of common pleas of the county for authorization of such transfer and forward said petition to the tax commission for approval (R.C. §5705.16). Should the tax commissioner approve the request, the township shall file the petition with the court of common pleas. The township shall give notice once in a newspaper of general circulation of the filing, object and prayer of the petition and the time when it will be heard. If a newspaper of general circulation is not available, notice shall be posted in 10 conspicuous places within the township for four weeks. If upon the hearing, the court finds that notice has been given, the petition states the facts, there is good reason or a necessity exists to transfer the funds and that no injury will result in said transfer, the court shall grant the request for transfer. All costs of such proceedings shall be paid by the township, except if objections are filed the court may order such objectors to pay all or a portion of the costs. In an effort to streamline government, the language included in Am. Sub. HB 49 would eliminate the requirement to have a hearing before the court of common pleas and that the determination of the tax commissioner be final.

- ***Multi-Health District a Taxing Entity*** - Townships and municipalities, where applicable, are required to provide funding to the health district. The cost to support the district is apportioned based on taxable valuations in townships and municipal corporations (ORC §3709.28). The cost is allocated to a township's general fund, which has been depleted over the last few years. Several years ago the General Assembly created the Legislative Committee on Public Health Futures. The Legislative Committee agreed on 11 recommendations and concepts but the recommendation that the Ohio Township Association really feels should be implemented is the multi-district public health levy. Current law allows for a health district to request a levy to help support the health district. Current law also permits jurisdictions to merge, contract or consolidate into one district. Included in HB 49 is language permitting a general health district that was formed under the "Union of General Health Districts" section of the Code, R.C. §3709.10, to adopt a resolution to place the question of a levy on the ballot within the union health district.
- ***Township Road Bid Requirements*** - Per R.C. §5575.03, no contract for any township road improvement shall be awarded at a price more than ten percent in excess of the estimated cost prepared by the county engineer. Unfortunately, there is no incentive for a prospective bidder to come in significantly under budget when the engineer has provided the estimated cost. There may be competition, but money is left on the table when the bidders know the approximate cost of the job and, that if the township is bidding the work, the township must have the money available to pay the estimated amount. The OTA is very appreciative that the Governor included, and the House retained, this suggestion in HB 49 so that prospective bidders are not told the estimated amount by the county engineer prior to submitting bids (R.C. §§5575.02, 5575.03).

Items of Concerns in the Budget

While the OTA supports the above items that have been included, we are opposed to the following items in the substitute version of HB 49.

- ***Unitization for Oil & Gas Wells on Public Land*** - Language included in Am. Sub. HB 49 requires the Chief of ODNR to issue an order for unit operation of a pool or part of a pool that encompasses a unit area consisting in whole or in part of oil or natural gas resources owned or controlled by the state or a political subdivision. (R.C. §1509.28) This change mandates that ODNR grant unitization requests pertaining to mineral rights owned by a township and permits drilling on township property without the consent of the board of township trustees. The OTA opposes this language and respectfully requests it be removed from Am. Sub. HB 49.
- ***Property Tax Assessment Fees*** - An amendment added late in the House process requires a political subdivision that appeals a property tax assessment to pay property owner's attorney's fees and court costs should the owner prevail in the appeal. (R.C. §5717.07) The current system allows for a proper “checks and balances,” making sure taxpayers in the township are not paying more than their fair share. The provision in Sub. HB 49 may have an effect on legitimate challenges to values that are clearly low, thereby causing the other taxpayers to pay more. The OTA opposes this provision and respectfully requests it be removed from Am. Sub. HB 49.

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to testify and for your consideration of our requests. I would be happy to answer any questions that you may have.