



OHIO HOUSE OF REPRESENTATIVES

State Representative Thomas Hall

**House Finance Committee
May 9th, 2022
Sponsor Testimony HB 377**

Chairman Oelslager, Vice Chair Plummer, Ranking Member Sweeney, and members of the House Finance Committee, thank you for giving us the opportunity to testify in support of Ohio's 1,308 townships and thousands of smaller municipalities through HB 377, which appropriates additional funding to the Office of Budget and Management to disburse to local governments in accordance with the American Rescue Plan Act.

As many of you know, the American Rescue Plan is the federal stimulus bill, which provides funding for numerous programs aimed at combatting the pandemic and supporting the economy, including direct recovery dollars to states and local governments. Local governments are divided into two groups under the bill: those receiving direct payments and those considered "non-entitlement units of local government." Direct payments were outlined for states, counties, and metropolitan cities. Other municipalities and townships would fall into the category of "non-entitlement unit of local government," which would receive pass-through dollars flowing through the state, rather than direct funding from Treasury.

The problem lies in the definition of "non-entitlement unit of local government." There are many definitions of local government in the federal code, as systems are different from state to state and from program to program. Through the legislative process, this definition was changed and has created confusion on the eligibility of certain local governments under the bill. Townships and municipalities were excluded from the most recent congressional estimates for recovery funding but were included in previous versions. This issue is not unique to Ohio; communities in Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, and South Dakota are all facing this problem as well. However, it is up to Treasury to interpret and implement the American Rescue Plan, and they may determine townships to be eligible under definitions in the bill. The purpose of this bill is to match the stated intent of Congress, providing recovery dollars to all local governments.



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In Ohio, Townships provide essential local government services to 4 million Ohioans, including police and fire protection, road maintenance and repair, waste disposal, and other services. Leaving townships, municipalities, and their residents out of this funding is a huge detriment to these communities, putting them at a disadvantage as they work to recover economically from the pandemic. I spent two terms as a Madison Township Trustee and know the struggle that these local communities have gone through throughout this pandemic. We now have the opportunity to provide them the support and resources that they need.

Whether or not you agree with the overall funding outlined in the American Rescue Plan, it is essential that all of Ohio's local governments and their communities are treated equally under the bill. This is simply an issue of fairness.

Thank you, Chairman Oelslager, for the opportunity to testify. We would be happy to answer any questions.