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HB 501 – Township Omnibus Bill Proponent Testimony March 29, 2022 House Ways and Means Committee

Good afternoon Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the House Ways and Means Committee. My name is Marisa Myers, and I am the Director of Governmental Affairs for the Ohio Township Association. On behalf of the Ohio Township Association (OTA), I appreciate the opportunity to testify as a proponent of House Bill 501. Although the short title only references a tax provision include in the bill, HB 501 is the township omnibus bill.

As many of you know, townships are creatures of statute. Any updates to the function of Ohio townships under the law must be addressed in the Ohio Revised Code – no matter how big or how small. For this reason, the OTA often pursues omnibus bills in an attempt to address multiple township-related items at once.

As is the case with House Bill 501, many of the items in our township omnibus bills come as direct requests from townships across the state. I'll briefly summarize what's been included in this initial draft.

Simplifies the Donation Process

Under current law (R.C. §505.10), townships are able to donate unneeded, obsolete, or unfit-for-use property if its fair market value is less than \$2,500 and they follow specific procedures. The process, created in 2004, goes as follows:

- The trustees must adopt a resolution with guidelines and procedures for donating unneeded property. Property must be donated to an eligible non-profit (501(a) or 501(c)(3) located within the state).
- The board must post notice in their office and publish notice in the newspaper at least twice. The township may also publish notice in trade papers or post it on their website.
- Non-profits interested in receiving donated property must submit written notice to the township.
- The township must maintain a list of all eligible non-profit organizations that have expressed interest in receiving donations.
- The township must also maintain a list of all unneeded property it intends to donate, which must be continually posted in the office and on the township website (if applicable).
- The township must donate property to the eligible non-profit that first declares its desire to obtain the item or to whichever non-profit has priority on the township's list. If priority is given, the township must specify why.

Rather than the process outlined above, HB 501 simply allows townships to donate property to eligible non-profits and only requires that the non-profit submit evidence of its eligibility. This allows townships to set a more streamlined process that works for them.

Changes Under a Declared Emergency

Current law allows townships to declare an emergency if there is an imminent threat to life or property within the township (R.C. §505.82). This declaration gives the township additional authority for up to six months. However, this authority is currently only related to snow removal and acquiring emergency equipment without bidding.

We've seen a lot of changes over the last two years, primarily related to the pandemic. To that effect, HB 501 adds two provisions to the declared emergency section: 1.) the ability to conduct meetings electronically and 2.) the ability to establish a curfew during the emergency period.

Local Preservation Commission

House Bill 501 gives townships the authority to establish a Township Preservation Commission, which would be tasked with preserving historic properties in the township. Municipalities currently have the authority to establish these commissions under Home Rule. The format of the commission is outlined in law and based on municipal commissions already in existence.

Local governments that have historic preservation ordinances (or, in the case of townships, resolutions) are eligible to participate in the Certified Local Government (CLG) Program through the Ohio History Connection. CLGs are eligible for federal grants to help carry out historic preservation activities. This change would give townships access to those grants as well.

Fraud Reporting

House Bill 501 contains a purely technical change related to fraud reporting through the Auditor of State's office. The Auditor currently maintains a fraud reporting system (R.C. §117.103). The bill simply references the Auditor's fraud reporting system in a section of law related to employees reporting unlawful activity in the workplace (R.C. §4113.52). This reference is already made in the equivalent section of code specific to civil service employees (R.C. §124.341), and this change ensures fraud reporting will be applied uniformly for all employees. The Auditor's office has indicated that they are comfortable with this change.

Township Redevelopment TIFs

Generally, townships, municipalities, and counties can use tax increment financing (TIF) arrangements to fund public infrastructure improvements. However, there is a special type of TIF district under R.C. §5709.41 that only municipalities have access to called a "municipal redevelopment TIF." Funding from a municipal redevelopment TIF follows specific parameters but may be used for any project described in the municipal TIF ordinance. House Bill 501 gives townships equal access to redevelopment TIFs under the same requirements as municipalities.

School Resource Officer Levy

School resource officers (SROs) provide security services to a school district through an agreement between the school board and the officer's agency. Current law authorizes schools to levy property taxes for school safety and security generally. For schools, HB 501 authorizes the school board to levy a property tax, with voter approval, for the specific purpose of providing an SRO. This would be in addition to their current authority.

Further, HB 501 also authorizes municipalities and townships to levy a property tax for the specific purpose of funding an SRO for a district within their territory. This must be a collaborative effort between the school district and the municipality or township and provides an additional option to raise funds for school safety locally.

Since the township omnibus bill deals with many different issues and areas of township law, it is frequently a working document that changes throughout the process. We look forward to working through this committee on any updates to this legislation. I'd like to take this opportunity to note a few other ideas that have been raised since this legislation has been introduced that the committee might consider as well, such as:

- Designating an individual to process payroll and pay bills if a fiscal officer leaves office. This would be on a temporary basis until the position is filled by appointment.
- Requiring township trustees to attend ethics training. The OTA has received questions about continuing education for trustees and believes this would be appropriate training for all public officials. Fiscal officers are currently required to receive two hours of ethics training each term.
- Clarifying that townships are able to support broadband buildout. A question arose if townships could spend their funds on broadband in the context of American Rescue Plan Act funding without statutory authority. The OTA believes the development of broadband is important now and in the future, and this may be a point worth clarifying.

The Ohio Township Association supports HB 501 and thanks Representative Hall for raising these issues. We strongly encourage your support as well. Mr. Chairman, thank you for the opportunity to testify before you this afternoon, and I would be happy to answer any questions you or committee members may have.