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HB 501 Township Omnibus Bill Proponent Testimony December 6, 2022 Senate Local Government & Elections Committee

Good morning, Chair Gavarone, and members of the Senate Local Government & Elections Committee. My name is Heidi M. Fought, and I am the Executive Director for the Ohio Township Association (OTA). On behalf of the OTA, I appreciate the opportunity to testify as a proponent of House Bill 501. Although the short title only references a tax provision no longer included in the bill, HB 501 is the township omnibus bill.

As you are aware, 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 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 the current version.

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. ***This request was made by a township in Trumbull County.***

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. *This request was made by a township in Franklin County.*

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 may utilize 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. *This request was made by a township in Erie County.*

There were several items that were included in the As Introduced version of HB 501 that were removed prior to the bill passing the House. The OTA respectfully requests that the language permitting a township to create Preservation Commission be amended back into the bill.

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. *This request was made by a township in Trumbull County.*

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 amendments that to this legislation the committee might consider, such as:

- Permitting a board of township trustees to appoint a deputy fiscal officer to pay bills and process payroll when the fiscal officer position is vacant. This would be on a temporary basis until the position is filled by appointment pursuant to R.C. §503.24. *This request was made by a township in Ottawa County.*
- Permitting a board of township trustees to amend the township's budget in order to allow a fiscal officer to hire a fiscal assistant. Current law requires the money for the fiscal assistant to be included in the township's original appropriation measure passed in July of the preceding year. *This was requested by a township in Geauga County.*
- Harmonizing township deferred compensation program authorization language with that of counties, libraries, and conservancy districts. Other entities may permit their employees to participate in a Roth account, but townships may not. *This was requested by a township in Butler County.*
- Increasing competitive bidding thresholds for townships due to high inflation rates. Current competitive bidding thresholds are \$50,000 and have not been increased in ten years. *This request was made by a township in Miami County.*
- 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. *This request was made by townships in Seneca, Trumbull and Tuscarawas Counties.*

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