

Chair Peterson, Vice Chair Thomas, Ranking Member Humphrey, and members of the House Government Oversight Committee, thank you for the opportunity to provide proponent testimony on House Bill 331, which will provide an effective new mechanism to streamline local government and ensure that taxpayers receive the effective and responsive governance they deserve. My name is Matt Nolan, and I am the Warren County Auditor.

House Bill 331 creates an automatic process by which county budget commissions would undertake a decennial audit of each village within their respective counties to determine whether villages meet the service and governmental standards owed to their constituents. These standards, consistent with the expectations voters have for their local governments, are meant to ensure that village governments effectively and independently provide both the critical services necessary for the maintenance of a village and a complete village government structure available to serve residents.

Ohio is regularly at the top of the list of most independent taxing jurisdictions of any state in the country. While there are many villages across the State that provide incredible local services in the best way for their community, there are many others that exist almost solely for the purpose of existing and nothing else. This affords our citizens many avenues for robust participation in their local governments, but the existence of so many taxing jurisdictions creates several practical problems that House Bill 331 would alleviate.

Given the multitude of taxing jurisdictions throughout our state and counties, Ohio taxpayers must navigate heightened complexity and nuance with their individual tax structures that residents of other states do not face. Villages collect inside millage property tax, additional levies and in some instances even a municipal income tax.

A regular audit ensures a twofold benefit to taxpayers. It would affirm that village governments continue to provide critical local services that residents depend on in their daily lives including police and fire protection, garbage collection services, and road maintenance. ORC 703.201(4) provides that a “condition for surrendering corporate powers...is that the village does not provide at least two services typically provided by municipal government.” Only three of our seven villages in Warren County provide at least two services, yet the mechanism to actually dissolve is unknown to the vast majority of residents, and too onerous for the few that do.

In the instance that a village fails to meet its statutory requirements and is ultimately dissolved by voters as a consequence, it would streamline the local tax structure within a county and, for the taxpayer, lessen both the complexity of their filings and the financial burden resulting from paying local taxes without an adequate return on their tax dollars. From a county government perspective, this will also make our job of communicating local tax rates simpler and more accessible to residents and result in more effective execution of our duties.

Additionally, by emphasizing the requirement that villages should either independently or through a non-governmental third party provide these services to residents, this regular audit will ease the burden on county and other local governments to maintain operations within the village themselves, thus further maximizing the impact of local tax dollars and extending their reach throughout the county.

Commonsense principles dictate that citizens should play a role in determining their local government structure and that effective, conservative stewardship of tax dollars leads to greater prosperity within our communities. House Bill 331 upholds both principles by ensuring that voters retain the final say in their village by presenting any possible dissolution as a general election ballot question while also ensuring regular reviews meant to maximize the impact and use of their municipal tax dollars. As both the County Auditor and as part of our county budget commission, I look forward to the opportunity to work alongside our village governments to navigate this process and maximize the quality of services enjoyed by our Warren County residents.

Thank you for the opportunity to provide this testimony.