



OHIO TOWNSHIP ASSOCIATION

6500 Taylor Road, Ste. A

Blacklick, OH 43004

Phone: (614) 863-0045 Fax: (614) 863-9751

www.OhioTownships.org

House Bill 96 Operating Budget House Finance Committee March 12, 2025

Chairman Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance committee. My name is Kyle Brooks, and I am the Director of Governmental Affairs for the Ohio Township Association. On behalf of Ohio's 1,308 townships, thank you for the opportunity to testify on HB 96, the operating budget.

House Bill 96 essentially maintains funding for townships in Ohio, and the OTA appreciates the effort to preserve the state's financial commitments to local governments. Our members value this financial support. Nonetheless, there are several areas on which we would like to comment.

Local Government Fund

HB 96 includes a provision to increase the Local Government Fund (LGF) from 1.7% to 1.75%. We appreciate the Governor's proposed increase, as this additional revenue will directly benefit Ohio's townships. The LGF remains one of the primary sources of funding for townships, supporting the essential services communities rely on every day. When the LGF was cut in 2013, townships collectively lost at a minimum of \$30 million a year. Therefore, the OTA respectfully requests the following:

1. **Increase in the LGF from 1.7% to 2.5%**
2. **Placing an additional \$5 million in the Township and Small Village Fund for the sole use of townships (R.C. 5747.503)**

Furthermore, the OTA continues to be concerned with the distribution of LGF funds at the local level. Current law allows for two distribution formulas – a statutory or an alternative distribution formula. The statutory formula was created decades ago and does not reflect the landscape of Ohio today. Should a county adopt an alternative distribution formula, the approval of such formula shall be by a majority of the following (1) the board of county commissioners, (2) the legislative authority of the largest city in the county, and (3) a majority of the townships and municipalities. This approval process severely limits the voice of small political subdivisions like townships. The OTA supports reforms that ensure townships have a more equitable voice in determining how these critical funds are distributed. **We recommend the General Assembly establish a new default formula for determining the share allocated to each political subdivision and to adjust the approval process. To ensure all voices are heard we recommend a process whereby 75% of the political subdivisions within a county must approve the use of an alternative LGF distribution formula (R.C. 5747.53).**

Grants

HB 96 includes funding to maintain several existing grant programs *and* establishes new grant opportunities. Ohio's 1,308 townships rely on grants to provide essential services to the 35% of the population that resides in townships.

One notable grant, the Ohio Housing Investment Opportunity Program, will provide grants and loans to local governments in rural counties, and counties bordering other states to support housing

development projects. This program not only aims to increase Ohio's housing supply but also helps retain current residents and attract new ones. The OTA is supportive of this program. Additionally, the following appropriation items positively impact township emergency services, as well as the safety of all Ohioans.

- Small Government Fire Department Services Revolving Loan Program
- Local Government Cybersecurity grants
- Indigent Burial Funds

Cemeteries

Townships are responsible for maintaining 2,400 cemeteries across the state. The Ohio Revised Code mandates that townships provide for the protection and preservation of cemeteries under their jurisdiction (R.C. §517.11). As this care and maintenance are required by law, townships must secure the necessary funds to uphold these responsibilities. Furthermore, if a public cemetery owned by cemetery association or religious society requests that a township assume control, the board of trustees is obligated to accept the transfer (R.C. §517.27). Recognizing this financial strain, the OTA has consistently advocated for additional funding for cemetery care and maintenance.

The General Assembly created the Cemetery Grant Program in 2018, administered by the Ohio Department of Commerce. This program provides funding to registered cemeteries in Ohio to assist with extraordinary maintenance costs or staff training. For Fiscal Year 2024, over \$316,000 was requested statewide, while only \$104,000 was available - leaving a significant funding gap. As a result, townships are often forced to reallocate revenue from other essential projects or place a levy on the ballot to secure necessary funds. In the March 2024 election alone, nine township levies were proposed to support cemetery maintenance and preservation. To help bridge this gap, **the OTA respectfully requests an additional \$250,000 be deposited into the Cemetery Grant Program line item to fund cemetery grant requests.**

The Cemetery Grant Program is currently funded by burial permit fees. Current burial permit fees are \$3.00 of which \$1.00 goes to the Cemetery Grant Program. Included in HB 96 is language increasing the burial permit fees from \$3.00 to \$4.50 to help fund the Ohio Department of Commerce's duties related to Cemetery Registration under Chapter 4767. The OTA supports the increase to the burial permit fees included in HB 96 (R.C. §3705.17). Additionally, **we support amendment HC_136_0554 that increases the burial permit fee to \$10.00 and placing \$8 into the Cemetery Grant Program fund** (R.C. §4767.10).

Repeal of County Recorder Cemetery Deed Language

Last General Assembly, R.C. §517.07 was amended to permit a township fiscal officer to record a sale of a cemetery deed with the county recorder. A township fiscal officer is required to have a book of deeds for each deed. After discussions with the County Recorders Association and other interested parties, we do not feel this change was necessary.

The OTA supports amendment HC_136_1023, which strikes the following language from the code:

"or with the county recorder under section 317.08 of the Revised Code."

Additionally, the amendment eliminates the reference to R.C. §517.07 in R.C. §317.08 (A)(29).

Marijuana

I would be remiss if I did not highlight two specific items that the OTA opposes. The Governor's proposal makes significant changes to the adult-use marijuana law. HB 96 includes the removal of the host community fund in R.C. §3780.23. Under current law, 36% of the 10% excise tax is distributed to townships and municipalities that have adult use dispensaries. According to the

Department of Commerce's Division of Cannabis Control, there are 134 licensed dispensaries in the State, 45 of which are located in townships.

Nearly every township with a dispensary has contacted the OTA expressing concerns about the elimination of the host community fund. Many townships would not have permitted a dispensary in their subdivision without the promise of revenue sharing. The funding allows townships to lower taxes, or pave additional roads, or enhance safety services – all without placing additional levies on the ballot. One township has begun the process of building a new fire station, relying on the anticipated revenue.

Equally as concerning is a provision that eliminates local control. Current law allows a township to prohibit or limit the operations of adult-use cultivators, processors, or dispensaries within their jurisdiction. Should this authority be removed, townships would lose the ability to enact moratoriums to prohibit, or limit facilities, while also receiving no financial benefit to having a dispensary in their jurisdiction.

The OTA respectfully requests the General Assembly maintain both the community host fund, and local control authority over adult-use marijuana operators. The OTA supports amendment HC_136_1024, which seeks to restore lines 56530-56538 of HB 96, providing local control and asks R.C. §3780.23 to be amended to return the host community fund to the 36% of the 10% excise tax to the ballot language of Issue 2.

Additional Amendments

As you know, townships are creatures of statute and require express or implied authority in law to provide services, adopt regulations, and govern their local jurisdiction. As such, the OTA pursues legislative updates to address nuances in the Revised Code. These updates are essential to help townships meet the evolving needs of residents and provide flexibility to township governance. We would ask your favorable consideration of including the following amendments in HB 96.

Competitive Bidding for Lighting Districts

In the previous operating budget, township competitive bidding thresholds were increased – the first adjustment in over decade. The OTA again thanks the General Assembly for this increase and the inclusion of a yearly inflationary index. Unfortunately, we missed updating R.C. §515.07 which deals with Lighting Districts from the law change. The OTA respectfully requests an amendment to harmonize this code section with other township competitive bidding sections.

Tax Relief for Volunteers

Townships depend on volunteers to provide safety services for their residents. Volunteer first responders save communities and states billions of dollars annually across the country. The OTA supports the provision in HB 96 that increases leave for a state employee serving as an EMT, first responder, paramedic, or volunteer firefighter from 40 hours to 120 hours for providing safety service or attending training. In addition, the OTA believes further incentives for volunteers are needed. **The OTA respectfully requests a \$1,000 non-refundable tax credit for volunteer firefighters, first responders, emergency medical technicians, and paramedics who volunteer on one or more days in a month for at least six months in a taxable year. The OTA supports amendment HC_136_1266.**

Local Option Elections

Under current law, local liquor option elections may be held during a primary or general election even if no local issue or candidate offices appear on the ballot. As a result, townships are required to bear the full cost of these elections. To address this concern, the OTA, with the

support of the Ohio Association of Elected Officials, and the Ohio Municipal League, **respectfully requests requiring that a local option petitioner pay the full cost of a local option election when no township issue or candidate is on the ballot. The OTA supports amendment HC_136_1271 to address this matter.**

Local Government Audit Support Fund

The OTA thanks the General Assembly and Auditor Faber for working to keep audit costs low for local governments. For the past six years, the audit rate has remained at \$41 per hour. However, due to budget cuts that HB 96 proposes, the audit rate would increase to \$50 per hour in FY26 and \$56 per hour in FY27, representing a 36.5% increase. To help offset these costs, **the OTA respectfully requests additional funds be allocated to ALI 070412 and ALI 070611.**

As the House continues to work on the operating budget, the OTA values the partnership between the state and local governments. The OTA and the 1,308 townships in the state thank the House for the continued investment in Ohio's townships.

Mr. Chairman, I appreciate the opportunity to testify before you and the House Finance Committee, and I would be happy to answer any questions you or the committee members may have.