



## **OHIO HOUSE FINANCE COMMITTEE**

**April 3, 2025**

### **Written Interested Party Testimony Substitute House Bill 96 – State Operating Budget**

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the Ohio House Finance Committee:

My name is Kent Scarrett, and I am the executive director of the Ohio Municipal League, which represents more than 730 of Ohio's cities and villages. Thank you for the opportunity to provide written interested party testimony on Substitute House Bill 96, the state operating budget bill.

We have been largely pleased with the proposed operating budget. The substitute version of the bill offers many provisions that OML-member communities of varying population size, geography, and economic environment will benefit from in some capacity.

The current version of the bill includes helpful items that our communities asked for such as continuing the Welcome Home Ohio program, increasing the Demolition and Site Revitalization Program, expanding and making permanent the Historic Preservation Tax Credit, funding law enforcement training, continuing the implementation of the Next Generation 911 system, paying costs associated with MARCS radios, and increasing resources for the Cemetery Grant Program. The bill also requires that a local liquor option petitioner pay the entire cost of an election if it is held on a day other than the day of an election for a local issue or candidate. Thank you for your attention to these matters.

We believe some changes could be made to further improve Substitute House Bill 96, so I would like to underscore some areas of significant importance to municipalities:

#### **Local Government Fund Increase**

A more significant increase in the LGF is needed to offset the effects of continuing inflationary pressures on our municipalities that result in significant cost overruns on infrastructure projects and other community investments. Many municipalities, especially smaller ones without a large tax base, have growing needs that challenge their ability to provide the services their residents and businesses depend upon – including maintaining current infrastructure while investing in new public infrastructure, police and fire, trash collection, snow removal, and more.

This Legislature has the opportunity to restore and support vital resources to cities and villages at a time when actual distributions for many communities are less now than in previous years. The current version of the bill increases the LGF percentage by a mere 0.05%, and more is needed. Therefore, we encourage this body to increase the percentage up to an attainable 2.25% of the GRF.

#### **Cannabis Tax Distributions to Local Governments**

The proposed reduction and ultimate phaseout of revenue dedicated to communities hosting marijuana dispensaries shifts the burden onto municipalities managing the associated local impacts. Many of our members across the state allowed this new type of commerce to operate in their communities with the understanding that the revenue sharing system would be meaningful and sustained.

While this budget bill recognizes the demand placed on communities through Issue 2, we ask that the current tax distribution planned for by host communities through current law be honored in full, recognizing that this demand will be ongoing – beyond the five-year phaseout currently in the bill.

### **Brownfield Remediation**

We appreciate the House acknowledging the need for brownfield remediation funding, with \$125 million per year. The demand for funding through this program in our communities is strong, and the funding is always used in its entirety. We are asking that the House consider increasing this funding to \$150 million per fiscal year to better accommodate the need across the state.

### **Recreational Trails as a Public Use**

The budget bill currently curtails the application of eminent domain for recreation trails. Eminent domain is used as a last resort, and it is important to understand that recreation trails are not mere luxuries; they are vital community assets. They promote health and wellness, connect neighborhoods, provide safe routes for non-motorized transportation, and enhance the livability of our municipalities.

The proposed restrictions on the use of eminent domain for recreation trails reflect a narrow interpretation of the concept of "public use," and we ask that this provision be removed from the bill.

OML will continue to advocate for the Legislature to avoid any preemptions or unfunded mandates that take away municipalities' ability to make the best decisions for their communities. The current bill contains language relating to public funds from municipalities and chartered counties that are used to finance certain communications or activities, and we encourage this preemption language to be removed to preserve decision making at the local level.

We will also continue to seek additional changes such as increased funding for the Housing Technical Assistance program at the Department of Development and the creation of two municipal seats on the Ohio Police & Fire Pension Fund Board.

Mr. Chair and members of the committee, on behalf of the Ohio Municipal League's membership, thank you for considering these requests and for the opportunity to share our views on Substitute House Bill 96. Please feel free to contact OML if we can be of further assistance on any of these matters.