

Chairman Roemer, Vice Chair Thomas, Ranking Member Troy, and esteemed members of the House Ways and Means Committee:

My name is Robert Santos, and I am the President of the Mahoning County Township Association. I stand before you today to express the concerns of the 14 townships I represent, as well as the broader communities within Mahoning County, including the cities of Youngstown and Struthers, regarding the proposed reallocation of funding from recreational marijuana dispensaries intended for host communities.

To provide context, allow me to share a brief overview of my background. I dedicated 11 years to the United States Marine Corps until my medical retirement in 2013 due to injuries sustained while safeguarding our freedoms. I continue to live by the core values of Honor, Courage, and Commitment. My unwavering desire to serve this nation led me to seek public office as a means to contribute selflessly to my community and beyond. This journey has been guided by a commitment to enhance the quality of life for all, including those who serve alongside me.

My opposition to any changes in the hosting community funds arise from concerns that such alterations could jeopardize not only the voice of voters but also the very reasons many communities have welcomed dispensaries into their neighborhoods. When Issue 2 was presented to the voters, it allowed citizens to express their preferences. A crucial line from Issue 2 that every voter encountered states:

"Provide for taxation of 10 percent on the sale of adult-use cannabis by dispensaries, in addition to usual sales taxes, with all monies collected from this tax to be allocated as follows: 36 percent to the cannabis social equity and jobs fund; 36 percent to the host community cannabis facilities fund; 25 percent to the substance abuse and addiction fund; and 3 percent to the division of cannabis control and tax commission fund."

Issue 2 encompasses three vital components, two of which our township cannot control: The one we could is the authority to permit or deny a recreational marijuana dispensary in our community. Austintown Township, along with several areas across Ohio, including the cities of Struthers, Youngstown, and Niles in Trumbull County, embraced dispensaries based on these factors: a favorable vote from residents and the anticipated 36% tax revenue to support essential community projects.

Townships represent the foundational level of government in Ohio, yet they often face significant funding challenges and restrictions. We deliver services to over 35% of the state's population, manage more than 41,000 miles of roads, and oversee over 2,700 cemeteries. It is imperative to acknowledge the critical role townships play in fostering economic growth.

As you know, township funding primarily relies on property taxes and fixed levies, which often compel us to appeal to overburdened residents for additional support to maintain essential services. The impact of inflation has been particularly severe; as the costs for vital equipment increase, our revenue remains stagnant. This situation forces us to make tough decisions, such as reducing or eliminating services. For instance, the cost of paving a single mile of two-lane road has skyrocketed from \$92,888 in 2000 to over \$232,000 today, excluding labor costs. Our expenses have doubled, yet our revenue has not, unless we seek approval for new levies.

This financial strain has led communities to make difficult choices, such as decommissioning essential facilities or abandoning satellite parks due to high maintenance costs. Requesting a new levy in these challenging times does not serve the best interests of residents, as it would only further burden already strained households. I ask you to consider the discomfort of explaining to a resident why their cherished park is closing due to insufficient funding. These challenges extend beyond townships, impacting every district.

As President of the Mahoning County Township Association, I can affirm the disconnect our legislators often have with the challenges we face at the local level. It is not my intention to appear confrontational; I hold respect for each of you in your roles. Some of you I know personally, and I would go to great lengths to support your efforts. However, I must candidly convey that we often feel overlooked, and any changes to the funding allocation threaten yet another critical source of revenue for our communities.

Mahoning County consists of 14 townships, two of which rank among the largest of the 1,308 in Ohio. Austintown, the 12th largest township, serves over 36,000 residents with a budget of approximately \$17 million while managing over 117 miles of roads. Boardman ranks 10th, supporting a population exceeding 40,000 with a budget of \$24 million and overseeing 145 miles of roads. Additionally, we have one of the busiest highway in the nation running through our back yard.

Empowering communities to control these funding sources allows us to address our financial needs without burdening residents, fostering a community that our children can take pride in. Our successes will ultimately benefit the surrounding communities as well.

Altering the funding structure disregards the hard work invested by communities that have approved dispensaries. Officials collaborated with zoning authorities to designate suitable locations for prospective business owners, welcoming these businesses with the understanding that the resulting funding would help mitigate our costs.

As elected representatives, we understand the state has its funding priorities, but what about our community projects? Our nation was founded on the principles of small government.

This is not the first time townships have faced the erosion of vital funding due to a mere stroke of a pen. The Local Government Fund once provided millions to our communities; for example, Boardman received approximately \$1 million annually, while Austintown received around \$500,000. These funds were crucial for training and equipping our emergency responders, ensuring the safety of our residents. However, this funding has been severely reduced by the state.

Consider the racino issue: In 2015, Austintown was promised \$500,000 annually, but once the project was completed, those funds were redirected to state needs. This revenue was essential for road repairs, infrastructure development, and supporting law enforcement to ensure safety for visitors. While Penn National has been a commendable business, it is important to recognize that such establishments can attract undesirable crowds, necessitating increased police presence. The promised funding was withdrawn, forcing officials to seek alternative solutions. Of the 7 racinos revenue was

approximately 1.3 Billion, of that 439 million went to the state. None went back to the hosting communities.

The removal of funding for local communities would be a blatant disservice, and we have reached our limit. I urge you to reflect on the motivations that led you to pursue this career, just as I have articulated the reasons behind my desire to serve our residents. Remember the constituents you represent, and I implore you to reconsider the provisions of this bill that reallocate funding away from our communities and toward the state. Restore the promised resources to our local officials and allow us to govern our towns in a manner that instills pride in our residents.

Let us govern our communities as we were elected to do, just as you were elected to ensure that the voice of the people is acknowledged and respected. These sentiments resonate within our community, as evidenced by the attached letters from the Mahoning County Commissioners, the Mahoning County Township Association, the Fraternal Order of Police Lodge 126, and Austintown Township Trustees, The City Struthers, and from our neighboring county of City of Niles (Trumbull County).

Thank you for the opportunity to speak today. I welcome any questions you may have.