



**OHIO SENATE GOVERNMENT OVERSIGHT AND REFORM COMMITTEE**  
**May 7, 2025**

**Interested Party Testimony**  
**House Bill 96 – State Operating Budget**

Chair Manchester, Vice Chair Brenner, Ranking Member Weinstein, and members of the Ohio Senate Government Oversight and Reform Committee:

Thank you for the opportunity to provide testimony on House Bill 96, the state operating budget. My name is Donald Mason and I have the pleasure of representing the Ohio Municipal League and the more than 730 cities and villages it counts as members. In addition to serving as OML's board president, I am currently the mayor of the City of Zanesville, in Muskingum County.

Overall, the league has been pleased with the direction of the operating budget bill and believes OML-member communities of varying population size, geography, and economic environment can find benefit from it.

The current version of the budget includes beneficial provisions such as funding for brownfields and demolition, continuing the Welcome Home Ohio program, expanding the Historic Preservation Tax Credit, better funding the Cemetery Grant Program, continuing the implementation of the Next Generation 911 system, paying for fees associated with the use of MARCS radios, and providing for body-worn camera grants.

The public safety-related aspects of the budget are especially useful because this is a large part of what municipalities do, with some spending as much as 70-85% of their budgets for this purpose. 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 police and fire, maintaining current infrastructure while investing in new public infrastructure, trash collection, snow removal, and more. This makes the state's partnership in funding essential.

With this in mind, I will transition to some changes we are requesting to further improve upon House Bill 96, as well as to urge the Legislature to avoid any preemptions or unfunded mandates that take away municipalities' ability to make the best decisions for their communities.

**Local Government Fund Increase**

We are asking for the Local Government Fund percentage to be increased to an attainable 2.5%, which remains much lower than the 3.68% where it once stood. The

House-passed version of the budget increases the LGF percentage by 0.05%, making it 1.75% of the state's general revenues.

Based on feedback from OML-member communities, the LGF increase would largely be used for public safety and training, infrastructure projects (water/sewer), and staffing – along with providing a greater opportunity for local matching dollars to participate in state and federal grant opportunities.

### **Preserve Funding for Marijuana Dispensary Host Communities**

Ohio's recreational marijuana law put in place following the passage of Issue 2 in 2023 was intended to help municipalities that host dispensaries navigate the post-legalization landscape by providing them with 36% of the overall 10% tax on marijuana. Ohio voters recognized when they voted on this that municipalities would be significantly affected by this issue, with the potential for it to further strain local government budgets – including through the increased demand in services such as police and fire.

Communities that have allowed for dispensaries did so with the knowledge that the tax distribution as passed in Issue 2 and left in place by the Legislature since then would be available to them. We ask that the current tax distribution planned for by host communities through current law be honored in full, at 36% with no sunset provision, recognizing the ongoing demand placed upon communities.

The state has yet to distribute the funding that has already been collected because the passed statewide issue did not create a funding mechanism to appropriate the money. OML is asking for you to ensure that this funding mechanism is included in the Senate version of the operating budget.

### **OP&F Pension Fund Board Seats**

Municipalities are the largest contributors to the Ohio Police & Fire Pension Fund and have a significant interest in the health and solvency of the fund. We would like to see the board expanded to include representatives who represent the diverse sizes of Ohio's municipalities. Specifically, we are asking for two seats on the board – one to represent a large city and one to represent a village – both of which would be appointed by the governor.

### **Funding for Housing Technical Assistance Grants**

The lack of housing and cost of housing can further be addressed by the state playing a greater role in financial and technical resources to aid in modernized zoning and development. Unfortunately, the financial investment required to perform a comprehensive review and update of local land use policies is considerable, and many of Ohio's municipalities do not have the financial ability or expertise to complete these important updates without assistance.

The Department of Development recently kicked off the Housing Technical Assistance Program, but it was only funded at \$1.5 million for the current fiscal year, which cannot

be spread very far when taking the need into consideration. The popularity of the program was recently proven when over \$2 million was requested in less than a week and the application period was then closed early. More can be done, so we are asking for \$10 million per year for this program.

### **Restore Full Funding for Lead Abatement Programs**

The House-passed version of the budget decreases funding that locals can use for lead abatement down to \$250,000 per fiscal year. There is a great need to ensure lead poisoning can be avoided in communities throughout Ohio, and we would like for the program to be funded at \$7 million per year.

### **Remove Eminent Domain/Recreational Trail Provision**

The House-passed budget included a provision saying that taking of property for recreational trails does not satisfy the public use requirement of Ohio's eminent domain law. However, recreational trails can be a public use to connect neighborhoods and provide a safe method of non-motorized transportation, and we are working to have this overly broad language removed.

### **House Bill 331 (135<sup>th</sup> GA) Change**

The Legislature recently passed House Bill 331 to create a new pathway for village dissolution. About every ten years, a county budget commission would verify that a village is providing sufficient municipal services and fielding candidates for elected offices. The legislation states that if these factors are not satisfied, a question of dissolution would be automatically placed on the ballot. However, the bill does not account for shared services between a municipality and another government, including municipalities that receive township fire department services, for example. The addition of an amendment to ensure these shared services play a factor in the process is requested.

Madame 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 the state operating budget legislation.