



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 Senate Government Oversight & Reform Committee May 7, 2025

Chairwoman Manchester, Vice Chair Brenner, Ranking Member Weinstein, and members of the Senate Government Oversight & Reform Committee. My name is Matt Whitehead, Executive Vice President of Governmental Policy Group. On behalf of our client, the Ohio Township Association, and Ohio's 1,308 townships, thank you for the opportunity to testify on House Bill 96, the operating budget.

The OTA appreciates the effort to preserve the state's financial commitments to local governments. OTA members value this financial support, however, there are several areas on which we would like to comment.

First, I would like to express our support for a few provisions in the bill.

Increased Burial Permit fees – COMCD25

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.

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.

The Cemetery Grant Program is currently funded by burial permit fees. We appreciate the House recognizing the financial strain, increasing the burial permit fee to \$10 and directing \$6 to the Cemetery Grant program.

Local Option Election -LOCCD6

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. The OTA supports the provision requiring a local option petitioner to pay the full cost of a local option election when no township issue or candidate is on the ballot.

Local Government Fund -RDFCD1

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, and the House's inclusion of the provision in the as passed by the House version, as additional revenue will directly benefit Ohio's townships. The LGF remains one of the primary sources of funding for townships, supporting essential services

communities rely on every day. When the LGF was cut in 2013, townships collectively lost a minimum of \$30 million a year. Therefore, the OTA respectfully requests the following:

1. Increase the LGF from 1.70% 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 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).

Marijuana-TAXCD20

The current law directs a portion of adult use marijuana to the host community-36% of the 10% excise tax is distributed to townships and municipalities that have adult use dispensaries. The Governor's proposal made significant changes to the adult-use marijuana law and proposed to eliminate the host community fund. We appreciate the House's reinsertion of the host community fund; however, the House reduced the local share to 20% of the excise tax.

Equally as concerning is a provision that sunsets the host community fund after five years and diverts the money to the GRF. Additionally, the House added an arbitrary date of July 1, 2025, for which a community must have at least one dispensary that is operational or provisionally licensed in order to receive funding. To date, the Division of Cannabis Control has not allocated the maximum number of licenses. This provision will effectively stop communities from agreeing to host these businesses, which in turn will lower the state's collection of tax revenue.

The OTA supports amendment SC0407-1, which eliminates the five-year sunset provision added by the House and increases the host community share to current law, which is 36%.

County Budget Commission – LOCCD19

The House included a provision that replaces the county prosecutor on the County Budget Commission with the chair of the board of county commissioners. The OTA has concerns about this provision. We believe the replacement could cause conflicts of interest in determining millage collection and placing levies on the ballot. In conjunction with the Ohio Prosecuting Attorneys Association, and the County Treasurers Association of Ohio, the OTA requests reverting the language to current law, keeping the county prosecutor on the Commission. Should the Prosecutor recuse themselves, the OTA suggests allowing the county recorder as an alternate on the Commission. **Please support amendment SC0889.**

Additional Amendments

As you are aware, townships are creatures of statute and require the expressed or implied authority in law to provide services, develop regulations, and run their local jurisdictions. As such, the OTA is pursuing additional amendments to HB 96. We would ask for your favorable consideration of their inclusion in the bill.

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 Ohio Recorders' Association and other interested parties, we do not feel this change was necessary. The OTA supports an amendment to strike the following language from the code:

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

And eliminates the reference to R.C. §517.07 in R.C. §317.08 (A)(29).

Public Improvement Contracts -FCCCD15

The OTA opposes the proposed change requiring contractors to be paid within 30 days of “substantial” completion of work. Since these payments involve taxpayer dollars, they must be managed with careful oversight and fiscal responsibility. The OTA is working with interested parties to amend the language. **The OTA among other local government groups supports SC0713, which reverts back to current law.**

The OTA and Ohio's 1,308 townships thank the House and Senate for the continued investment in Ohio's townships.

Madam Chair, I appreciate the opportunity to testify before the Senate Government Oversight & Reform Committee, and I would be happy to answer any questions you, or the committee may have.