



City of Athens

Auditor's Office

Kathy Hecht

Auditor

8 East Washington Street
Athens, Ohio 45701-2411
(740) 592-3336
(740) 592-6400 fax
khecht@ci.athens.oh.us

Chairman Oelslager, Vice-Chair Manning, Ranking Member Skindell and members of the finance committee, thank you for allowing me the opportunity to testify before you today. My name is Kathleen Hecht and I have been a 37 year resident of Athens and the elected Auditor for the City of Athens for the past 13 years. Before that, I served on Athens City Council for 2 years. Components of the current budget bill have compelled me to come forward and testify before you today in opposition. They include the elimination of the throwback language and the Tax Commissioners opt-in centralized filing option. However, due to time constraints I will limit my comments to the throwback language.

For anyone not familiar with Athens, we are a small Southeastern Ohio community made up of approximately 5,000 residents and over 20,000 college students. The last several years have been a challenging time for our community. Over the past 10 years, the City of Athens has lost \$3.5 million dollars in funding from cuts in the Local Government Funds and elimination of the Estate Tax and the Personal Property Tax. Last year, for the first time in 30 years, the City of Athens had to ask for a permanent general revenue tax increase, with the money generated being used to help repair the city's aging infrastructure and replacing much-needed safety personnel.

I bring these facts up today because the elimination of the throwback language that was passed in the House version of HB49 is estimated to cost the city approximately \$68,000.00 a year. We have come to this number by looking at our top 5 business returns that would be affected by the change. The elimination of the throwback rule, which is currently treated uniformly throughout the state, will be another negative impact on the City of Athens municipal income and will further reduce our general fund. I know \$68,000 doesn't sound like much in the

big picture, but remember, the City of Athens has already lost \$3.5 million so far. It's a continued reduction in our main source of revenue to operate the City.

To put this in perspective, the City of Athens can pay one full-time police officer or fire fighter each year for the money we will lose from throwback. I'm sure you can see that with a population of over 20,000 college students, that money is definitely needed.

In addition to this new proposed revenue loss, and just as importantly, is the loss of our local control. Also, this revenue reduction comes on the heels of the unfunded 5 year Net Operating Loss (NOL) carryforward the state mandated in HB5. Since we did not have an NOL in place, our city will see its first financial impact next year.

I believe before you implement another round of revenue reduction upon cities, you should first consider the impact this will have on the residents throughout the state. Listen to the impact numbers from each municipality and turn those numbers into actual budget cuts for each city and village.

At a minimum, this topic deserves more discussion and review than the budget bill allows. It should be moved to the tax discussions and/or tax bill for further deliberations.

Thank you for your time today, I can take any questions at this time.

Respectfully submitted by Kathy Hecht, Athens City Auditor.