



## **OHIO MAYORS ALLIANCE**

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**OHIO SENATE FINANCE COMMITTEE  
TESTIMONY ON SUB. H.B. 49 FROM THE OHIO MAYORS ALLIANCE  
SUBMITTED ON JUNE 1, 2017**

Chair Oelslager, Vice-Chair Manning, Ranking Member Skindell, and members of the Ohio Senate Finance Committee, please accept the following testimony on behalf of the Ohio Mayors Alliance, a bipartisan coalition of mayors in Ohio's largest cities and suburbs.

As you know, cities are on the front lines of some of Ohio's most promising opportunities and our most serious challenges. Whether it is working to help facilitate important economic development opportunities or confronting the ongoing opioid epidemic, Ohio's mayors and the cities they lead play an important role in making communities safe and our state economy strong.

It is in this spirit that we offer the Ohio Mayors Alliance perspective on Sub. H.B. 49. We believe the House made progress in improving this legislation for cities. Removing the "capacity-based" component of the Local Government Fund formula was prudent. The changes made to the administration's centralized collection of business tax filings were also welcome. We hope that the Ohio Senate Finance Committee will maintain these changes as deliberations continue.

Additionally, we are urging this committee to remove language that would eliminate the "Throwback" rule. If "Throwback" is eliminated, it would create an immediate financial impact on many of our member communities. Estimated losses vary depending on the amount of warehousing and distribution centers located in each city. However, after multiple years of state funding cuts, any additional loss would be detrimental to the financial health of our local communities.

We are also recommending that two provisions regarding lead abatement activities and how an individual city administers its regional water and sewer services be removed. These provisions were added shortly before the House passed HB 49 and both raise serious concerns.

The first provision would give the Ohio Department of Health the "sole and exclusive authority" to regulate lead abatement activities. According to testimony, it appears that the department was not consulted on this provision and does not know what its implications are. We believe this is serious cause for concern given the scope and significance of these new regulatory responsibilities. Furthermore, this provision preempts municipalities and prevents local leaders from taking action to protect against lead exposure in their own communities.

The second provision would target a community of over 700,000 (i.e. the City of Columbus) and withholds its Local Government Funding for noncompliance of newly proposed regulatory rules for water and sewer services. Withholding LGF to local communities as a stick to resolve a specific local matter is imprudent and should not be done through the state operating budget.

Again, we urge the Senate Finance Committee to remove these late additions to the House-passed version, as well as the language eliminating the “Throwback” rule. If there is a need to address these matters in a broader way outside of this state budget process, the Ohio Mayors Alliance will gladly be a constructive partner in those discussions.

As noted earlier, cities are creating the vast majority of economic development activity in the state. The state’s seven largest metropolitan regions, which are anchored by our largest cities, generate 81 percent of the state’s employment and 82 percent of total state GDP. Expand that to the 11 largest metro regions and the economic output grows to 90 percent of total state GDP.

These statistics contradict the rhetoric we have heard throughout the debate about the proposed changes affecting municipalities. Furthermore, given the challenges that cities face, not only in creating jobs but also in confronting the opioid crisis, we believe that changes resulting in further financial losses to cities would be counterproductive on both fronts.

Respectfully submitted,



Keary McCarthy, Executive Director  
***The Ohio Mayors Alliance***

#### **OHIO MAYORS ALLIANCE MEMBERS**

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