



Chairman Wiggam, Vice Chair John, Ranking Member Kelly, and members of the House State and Local Government Committee, thank you for allowing us the opportunity to testify in support of Ohio's 1,308 townships through HCR 9, which urges the US Department of the Treasury to deem townships eligible for funding under the American Rescue Plan Act of 2021.

Rep. Hall -

As many of you know, the American Rescue Plan is the most recent federal stimulus bill, which provides funding for numerous programs aimed at combatting the pandemic and supporting the economy, including direct recovery dollars to states and local governments. Local governments are divided into two groups under the bill: those receiving direct payments and those considered "nonentitlement units of local government." Direct payments were outlined for states, counties, and metropolitan cities. Other municipalities and townships would fall into the category of "nonentitlement unit of local government," which would receive pass-through dollars flowing through the state, rather than direct funding from Treasury.

The problem lies in the definition of "nonentitlement unit of local government." There are many definitions of local government in the federal code, as systems are different from state to state and from program to program. Through the legislative process, this definition was changed and has created confusion on the eligibility of townships under the bill. Townships were excluded from the most recent congressional estimates for recovery funding but were included in previous versions. This issue is not unique to Ohio; townships in Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, and South Dakota are all facing this problem as well.

However, it is up to Treasury to interpret and implement the American Rescue Plan, and they may determine townships to be eligible under definitions in the bill. The purpose of this resolution is to encourage Treasury to interpret the language to match the stated intent of Congress, providing recovery dollars to all local governments.

Rep. Hall -

In Ohio, townships provide essential local government services to 4 million Ohioans, including police and fire protection, road maintenance and repair, waste disposal, and other services. Leaving townships and their residents out of this funding would be a huge detriment to these communities, putting them at a disadvantage as they work to recover economically from the pandemic.

Time is of the essence on this issue. Under the American Rescue Plan, Treasury has 60 days from the bill's enactment to disburse the initial round of funds to direct recipients – for Ohio, the state, all 88 counties, and metropolitan cities. Ohio has another 30 days to distribute



funding to nonentitlement units. With the bill being signed on March 11, time is quickly running out for the General Assembly to speak in support of Ohio townships, which we know to be essential pillars of our local government framework.

Whether or not you agree with the overall funding outlined in the American Rescue Plan, it is essential that all of Ohio's local governments and their communities are treated equally under the bill. This is simply an issue of fairness.

Thank you, Chairman Wiggam, for the opportunity to testify. We would be happy to answer any questions.