



Plain Township Board of Trustees

ESTABLISHED 1810 • BOX 273 • NEW ALBANY, OHIO 43054 • (614) 855-7770 • Fax (614) 855-7761

**Ohio Senate
Ways And Means Committee
House Bill 69
Proponent Testimony
Ben Collins
September 20, 2017**

Good morning Chair Eklund and members of the Senate Ways And Means Committee. On behalf of Plain Township, Franklin County, thank you for the opportunity to testify in support of the Tax Increment Financing amendment proposed in House Bill 69.

My name is Ben Collins, and I am the township administrator for Plain Township. Plain Township provides Fire and Emergency Medical Services to 11,000 residents and a total daytime population in excess of 20,000 people in and around the City of New Albany.

Financial Impact of TIFs

Fire levy funds approved by voters should be used to provide fire and EMS services. The diversion of fire levy taxes due to Tax Increment Financing can result in the loss of significant funding for township fire departments. The value of fire levy taxes levied within New Albany's 12 residential TIF districts is the equivalent of 1 Mill of taxation for the entire township fire department and more than 10% of its operating revenue. Property taxes are the primary source of revenue to fund township fire departments and current law allows fire levy taxes to be diverted away from providing fire and EMS services within TIF districts.

Fortunately, Plain Township and New Albany reached an agreement to return those TIF fire levy tax dollars to Plain Township. In 2016, TIF fire levy service payments to Plain Township totaled \$675,242 representing more than 1 Mill on Plain Township's 2015 taxable valuation.

When fire levy taxes within TIF districts are not returned to townships, this can result in higher taxes paid by all residents. Without the levy proceeds within TIF districts, fire departments have to request additional millage to meet funding needs. Returning TIF fire levy tax dollars to townships is a best practice to limit the tax burden for all residents.

Without the TIF fire levy service payments, Plain Township would need an additional 1 Mill of taxes to meet the department's budget needs. In our example, the City of New Albany is still able to finance debt on important public infrastructure and community projects while returning TIF fire levy tax dollars to Plain Township.

Trustee

DAVID W. FERGUSON
7318 South Berkley Square
New Albany, Ohio 43054
(614) 855-0314

Trustee

DAVID C. OLMSTEAD
6248 Kitzmiller Road
New Albany, Ohio 43054
(614) 855-2283

Trustee

THOMAS E. RYBSKI
5920 Babbitt Road
New Albany, Ohio 43054
(614) 855-2550

Fiscal Officer

BUD ZAPPITELLI
7558 Schleppei Road
New Albany, Ohio 43054
(614) 855-4620

Administrator

BEN COLLINS
45 Second Street
New Albany, Ohio 43054
(614) 855-2085

Fairness

Fire and emergency services are a critical component of local government. When voters approve fire levies, they expect those levy dollars will provide fire and emergency services. TIF development typically leads to additional fire and EMS runs, which increases the cost of operating the fire department. However, under current law, townships do not receive the incremental tax increase from the TIF fire levy taxes. As a result, other residents bear the burden of supporting the increased operational cost of the fire department.

House Bill 69 would give township fire levies the same statutory treatment as libraries, joint recreation districts, township park districts, and similar local levies. House Bill 69 would provide fair and equitable treatment of township fire levies – not preferential treatment.

House Bill 69 is prospective, giving municipalities time to plan for its future impact and does not impact any current TIF district funds or financing. House Bill 69 also permits townships to negotiate with municipalities for a lesser amount of payments in lieu of taxes when the economics of TIF districts make that desirable. Plain Township has greatly benefited from TIF service payments in lieu of taxes and agrees that TIF fire levy taxes should be returned to townships.

Plain Township supports House Bill 69 and encourages the Senate Ways And Means Committee to favorably report the measure to the full Senate for passage. Mr. Chairman, thank you for the opportunity to share our support for this legislation.