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**House Bill 101 Village Dissolution
Senate Local Government Committee
Proponent Testimony
September 12, 2023**

Chairwoman O'Brien, Vice Chair Gavarone, Ranking Member DeMora, and members of the Senate Local Government Committee, my name is Heidi M. Fought, and I am the Executive Director for the Ohio Township Association (OTA). On behalf of Ohio's 1,308 townships, thank you for the opportunity to provide proponent testimony on HB 101, which alters village dissolution laws.

Most importantly, House Bill 101 will bring much-needed clarity to the ambiguity in current law when a village dissolves and improves the process of transferring assets to the affected township(s). It is important to note, the OTA does not promote or discourage village dissolution in Ohio. However, because townships are the receivers of the dissolved village territory, the OTA wants to ensure dissolutions are orderly and that all parties remain accountable until the transition is complete.

Pursuant to current law, there are three ways in which a village may be dissolved: surrender of corporate powers voted on by the residents of the village (current R.C. §703.20), dissolution of a village in fiscal emergency (current R.C. §118.31), and dissolution of a village that meets certain population, size, and other requirements (current R.C. § 703.201). The dissolved village land will return to the township or townships from which the land originally came.

Unfortunately, the Revised Code does not clearly lay out the process to be followed once the residents, a court, or the Ohio Attorney General act to dissolve the village. The new language in R.C. §§703.35-703.39 in HB 101 addresses the many issues that developed when a village was dissolved.

While the legislation before you is a result of a village dissolution in Clermont County a few years ago, this issue has long been one for which the OTA has sought clarity in the Revised Code. It became known in the early 2000's when a village in Franklin County was dissolved and then again in early 2010's when villages were dissolved in Pickaway and Allen Counties. We have received many questions about debt, economic development deals, taxes, and zoning.

We specifically support the language in new R.C. §703.35 (A) (pg. 13) that forbids the creation of new debts when a dissolution is in question and clarifies when the powers of the dissolved village cease to exist. We support the creation of a Transition Supervisory Board to help facilitate the dissolution, and we support the inclusion of township(s) representation to serve on the board or as a consultant, like the designated "village representative" outlined in R.C. §703.361. This individual would be a township official or employee of the township who is knowledgeable on township matters. By placing a township(s) representative on the Transition Supervisory Board, it ensures that the township(s) is actively engaged throughout the entire transition process.

Furthermore, due to questions arising in the past about the applicability of township zoning resolutions to the former village territory, the OTA supports the language in R.C. §703.36 (E) specifically referencing township zoning resolutions. Previously, we have had land use attorneys, and county prosecutors cast doubt that township zoning resolutions apply in the newly acquired territory.

The OTA is supportive of the ongoing levying and collection of taxes and assessments on existing municipal property, income tax, or special assessments until all outstanding debts and obligations incurred by the village are settled. We appreciate that these liabilities are not to be assumed and paid for by township(s) residents, as the township(s) did not incur debts and obligations. In situations like the Village of Amelia, the township was left with liabilities that cannot be settled, rendering the land unusable. The continued revenue collection offers a practical solution while making sure that the outstanding obligations are met. Furthermore, it includes safeguards to cease revenue collection once the obligations have been paid in full.

Lastly, the OTA is seeking an amendment that **any monies left over from the transition board be put into the township's general fund**. Currently, the bill states that any money left over shall directly or indirectly benefit the territory of the former village. This creates a burden on township trustees when making policy decisions and on township fiscal officers during audits to specifically define directly or indirectly benefit. Fiscal officers would have to create a separate line item for former village territory, and budgets would have to be adjusted accordingly. After the dissolution is certified, the village no longer exists, and the former village residents are now township residents.

The OTA thanks sponsors Representatives Bird and Schmidt for continuing their work on this topic in this General Assembly and urges your support of HB 101 and the changes we have recommended.

Madam Chair, I appreciate the opportunity to testify before you and the Senate Local Government Committee this morning. I would be happy to answer any questions you or the committee members may have.