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Office

H.B. 444
(1_133_0958-3)
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 444's Bill Analysis](#)

Version: In House Local Government, Public Safety, & Veterans Affairs

Primary Sponsors: Reps. Baldrige and Abrams

Local Impact Statement Procedure Required: No

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Highlights

- Permitting townships to issue industrial development bonds to pay for certain projects would allow them to pay for projects that townships otherwise might not be able to finance without these bonds.
- The bill allows townships and municipalities to propose continuous joint police/fire levies rather than requiring these joint levies be voted on every five years as under current law. It is unclear as to what impact making such levies continuous would have on passage of these types of levies.
- Requiring certain entities that convey a cemetery to a township to also remit any remaining funding for the cemetery could provide townships with access to some initial funding for cemetery maintenance.
- Allowing townships to refuse a cemetery conveyance under certain limited circumstances could result in some townships avoiding costs for cemetery operation in the future.
- The bill also allows certain park districts, juvenile facilities, and detention facilities to adopt an employee dishonesty and faithful performance of duty policy in lieu of surety bonds. Using this option could increase joint insurance pool costs to these entities; however, such an increase would be less than the cost of obtaining required surety bonds for their officers, appointees, and employee.

Detailed Analysis

Overview

The bill makes numerous changes with respect to township law. There are several provisions related to township tax levies and bond issuance. These are discussed first. Those

provisions relating to township and municipal operations that appear to have a fiscal impact are discussed thereafter. Please see the LSC bill analysis for all the changes made by the bill.

Industrial development bonds

The bill authorizes townships to issue industrial development bonds in the same manner as municipal corporations or counties in current law. This authority would allow townships to have a greater ability to finance certain eligible projects. Under the bill, the board of township trustees acts as the issuing authority and is subject to existing law requirements for issuing development bonds. This includes that the project for which the bonds are issued relates to industry, commerce, distribution, or research. It is unclear as to how many townships would elect to use this authority, although it can be assumed that it would primarily be used by larger townships.

Property tax levies

The bill would allow a levy imposed by a municipal corporation or township for the purposes of (1) firefighting or emergency medical services, and (2) police services to be levied for a continuing period of time. It provides that such a levy could be reduced through filing of an initiative petition under R.C. 5705.261 or by county budget commissions under R.C. 5705.31. The bill would allow such a levy to be terminated or permanently reduced if the municipal corporation or township adopts a resolution stating that the levy is no longer needed or the millage is excessive, respectively.

The bill provides that a levy to renew and increase an existing levy, or to renew and decrease an existing levy, could only be placed on the ballot at the general election held during the last year the tax could be imposed or at any election the following year, with certain exceptions. A failure by electors to approve the renewal, increase, or decrease of a levy would not terminate the existing levy. These changes apply to property tax issues on the ballot at any election held 100 days or more after the effective date of Section 3 in the bill.

Cemetery conveyances

Under the bill, when cemetery associations and religious societies convey cemeteries to townships, they must also transfer all cemetery records and funds to the township to be used for cemetery purposes. This requirement could provide the township with some initial funds to cover the costs of maintaining any conveyed cemeteries. It is unclear as to how many such conveyances currently occur, nor how often the conveying entities would have any funds available for transfer to townships.

The bill also provides an exception to a township's duty to accept a conveyance and responsibility for a cemetery based on certain conditions (see LSC bill analysis). While it is unknown how frequently a conveyance would qualify for this exception, this provision could ultimately result in a township not taking a cemetery conveyance, therefore avoiding future cemetery maintenance costs. According to the most recent data available through the Department of Commerce's Division of Real Estate, as of 2016 there were 4,117 registered cemeteries in Ohio. Of this number, 3,016 were government-operated cemeteries. Of the remaining 1,101 cemeteries, 718 were run by religious or benevolent organizations and 383 were operated by cemetery associations.

Insurance policy alternative to surety bonds

The bill would presumably result in some cost savings related to bonding costs for eligible political subdivisions. The bill permits certain park districts, juvenile facilities, and detention facilities to adopt an employee dishonesty and faithful performance of duty policy in lieu of surety bonds where required under current law. It is unclear how many such facilities would qualify for this provision or elect to use the authority provided in the bill. Presumably, these entities would only use this authority when the costs of obtaining insurance through their joint self-insurance pools would be more cost effective than acquiring surety bonds for necessary employees.

The bill also expands the definition of a faithful performance of duty policy in that such a policy would protect against the same losses that would otherwise be protected against through the purchase of a surety bond. It is unclear as to whether or not expanding this coverage would increase the current costs of any existing policies, or what the magnitude of any such cost increases may be.

Provisions with little or no fiscal impact

Notice of conforming boundaries

The bill requires a municipal corporation to give notice to affected townships when the municipal corporation seeks to conform its boundaries, thereby impacting the township's boundaries. These required notices would seem to be infrequent. Therefore, any potential notice costs incurred by municipal corporations would likely be negligible.

Nuisance costs

Current law allows townships to abate certain nuisances. Townships are currently permitted to have a county auditor place nuisance abatement costs as a lien against the property on the tax duplicate of a property owner that fails to pay abatement costs. The bill removes the requirement that a county auditor collect the costs for nuisance abatement in the same manner as other taxes. This provision simply conforms the collection of these costs with other nuisance cost collection in township law. There does not appear to be any impact on the amount of nuisance abatement costs collected by townships. The bill also specifies that the costs recovered for the abatement of unsafe buildings and structures be returned to the township and placed into the township's general fund in the same manner as other nuisance abatement costs. This also does not appear to impact the amount of costs recovered and returned to townships for nuisance abatement.

Housing authority membership

The bill modifies the membership of a metropolitan housing authority located within a charter county by including a township appointee in limited circumstances. Under the bill, if a township has a larger ratio of housing units owned or managed by the authority to population, the township, rather than the city, appoints a member to the authority. The bill does not increase or decrease the membership of a housing authority. Consequently, there does not appear to be any fiscal impact related to this provision.

Emergency medical services ambulance staffing

The bill authorizes an additional staffing option with respect to emergency medical services ambulance staffing in townships. Under the bill, a first responder may staff an

ambulance traveling to an emergency, provided the first responder is meeting an emergency medical technician (EMT), an advanced EMT, or paramedic at the scene of an emergency. The bill does not alter current law requirements pertaining to ambulance staffing related to an ambulance transporting a patient away from the scene of an emergency. This does not appear to have any fiscal impact for townships.

Pole excavation

The bill requires an individual who intends to make an excavation to repair, rehabilitate, or replace a pole to provide electric or telecommunications service in a township highway or highway right-of-way to provide verifiable notice of the excavation to the township fiscal officer at least three business days before the excavation. The bill does not make any changes to which poles may be subject to excavation. There appears to be no fiscal impact associated with townships receiving this notice.

Synopsis of Fiscal Effect Changes

The substitute version of the bill (I_133_0958-3) contains two primary changes. The first change allows for certain park districts, juvenile facilities, and detention facilities to adopt an employee dishonesty and faithful performance of duty policy in lieu of surety bonds where required under current law. It is unclear how many such facilities would qualify for this provision or elect to use the authority provided in the bill. In all likelihood, these entities would use this option when the costs of obtaining insurance through their joint self-insurance pools would be more cost effective than acquiring surety bonds for necessary employees.

The bill also expands the definition of a faithful performance of duty policy so that such a policy would protect against the same losses that would otherwise be covered through the purchase of a surety bond. It is unclear as to whether or not expanding this coverage would increase the current costs of any existing policies, or what the magnitude of any such cost increases may be.

The second change is that the substitute bill removes the provision that would have allowed townships to adopt ordinances to regulate noise in the unincorporated areas of the townships. Because this change was removing authority that was newly granted under the previous version of the bill, there is no actual fiscal impact to townships associated with this change.