

March 9, 2009

The Honorable Vernon Sykes, Chair
Finance & Appropriations Committee
House of Representatives
77 S. High Street
Columbus, OH 43215

Re: HB 1 Budget Bill
OTA Concerns

Dear Chairman Sykes:

On behalf of the Ohio Township Association (OTA), I am writing to express our concern with several provisions of House Bill 1, the biennial budget bill, pending before the House Finance & Appropriations Committee.

First and foremost, the OTA opposes new language included in RC Section 4117.01 (B) that alters the definition of public employer to include a township with respect to paid, full-time firefighters of a township fire department. Current law exempts all townships and villages with less than 5,000 residents from collective bargaining rules. The change in HB 1 would mean that any paid, full-time township fire department would be subject to collective bargaining rules pursuant to ORC Chapter 4117. I must note that villages that have paid, full-time firefighters, like the language change suggested for townships in HB 1, would not be subject to ORC Chapter 4117.

The OTA strongly objects to this change. Our primary reason for opposing this is the cost related to collective bargaining negotiations and the "decision" process being removed, at least partially, from the township trustees. With respect to township budgets, they are simply not large enough to handle the costs of the process as the cost of attorneys and collective bargaining representation are significant. Additionally, by opening this section up for one exemption it will create a slippery slope that could lead to additional exemptions. This type of legislation has been introduced in the past and the OTA has opposed those bills and must continue to oppose this language in HB 1.

A second concern we have with HB 1 is the increase in fees for solid waste and construction and demolition debris (C&DD) facilities. House Bill 1 calls for a total increase in those fees of one dollar and twenty-five cents per ton for solid waste facilities and one dollar and thirty-five and one half cents per cubic yard and two dollars and seventy cents per ton for C&DD facilities. While the OTA does not object to the overall increase in fees, we do object to the state receiving one hundred percent of the increased fee revenue.

The OTA feels that solid waste and C&DD facilities have a responsibility to the communities hosting them. The negative impacts of these facilities must be addressed including damage to the roads surrounding a facility, increased demand on a township's safety services, litter control and noise. These impacts can be decreased by allowing townships to use funds generated by the facilities in the form of host fees for increased fire and EMS protection, litter control, noise abatement walls, and the abatement of any other nuisance or problem created by the facility. The

OTA respectfully requests that the community host fees be increased for solid waste and C&DD facilities.

Finally, the OTA respectfully requests consideration of an amendment that would give political subdivisions receiving tangible personal property (TPP) replacement revenue an additional \$11.5 million in FY 2011. A key component of Ohio's 2004 tax reform was the phased-out elimination of the TPP. In its place, the state created the Commercial Activity Tax (CAT). Part of the tax reform package called for reimbursements to local governments designed to hold them harmless for five years, with the understanding that this would provide a window within which to craft a permanent solution.

We understand that the national and state economic challenges we face will make it difficult in the next biennial budget to look for a permanent solution. Instead, we are proposing an extension of the hold harmless agreement through the FY 2010 - 2011 biennium. This extension would require an additional \$11.5 million from CAT revenues be used to continue the hold harmless agreement that benefits all local governments and special districts like parks, MRDD and community colleges. This funding absolutely is essential for critical programs and services that are important in townships and other entities.

Thank you for your consideration of our requests. Should you wish to discuss these matters further, please do not hesitate to contact me or OTA Director of Governmental Affairs Heidi M. Fought at (614) 863-0045.

Sincerely,

Michael H. Cochran
Executive Director

MHC:hf