

To: House & Senate Conferees for Am. Sub. HB 96

From: Kyle A. Brooks, Director of Governmental Affairs

Date: June 13, 2025

RE: Am. Sub. HB 96

Dear Conferee,

On behalf of the Ohio Township Association (OTA) I am writing to express our position and request your consideration of changes to several provisions in Am. Sub. HB 96, the state operating budget.

Marijuana - TAXCD20

First, the OTA supports the allocation of \$20 million to Fund 7106 which ensures all current dispensary host communities receive tax revenue pursuant to current law which directs 36% of the 10% excise tax to host communities.

To the point of host communities receiving a share of the tax revenue, TAXCD20 reduces the local share to 20% of the excise tax. The provision also sunsets the host community after five years and diverts the money to the state's GRF. **The OTA supports current law and requests an amendment directing 36% of the 10% excise tax to the host community fund and eliminates the sunset provision.**

Township Referendum - LOCCD22/LOCCD28/LOCCD34

Current law requires 15% of the total vote cast in a gubernatorial election to place a township zoning referendum on the ballot. LOCCD22 increases the percentage of signatures required to 35%. The 15% threshold was a compromise reached in the previous state budget (HB 33 - 135th GA) when a similar proposal was made. Prior to the change of law, the threshold required just **8%** of the total vote cast in a gubernatorial election. The 15% threshold represents an 87.5% increase of signatures needed.

LOCCD22 increases the signature threshold from 15% to 35%, which represents a 133% increase from current law and a 337.5% increase (8% to 35%) in less than two years. There has been no evidence showing the 15% threshold is not an adequate percentage. **Therefore, the OTA requests the House version, which would remove this language.**

We are open to reviewing the zoning referendum process overall – outside of the budget process - as other states have simpler processes that could be brought to practice in Ohio.

Replacement Levies – TAXCD104

Outside of the property tax, townships have very limited funding sources. Township services, such as fire, EMS, and cemeteries, are funded almost exclusively by the property tax. The Ohio Constitution allows for up to 10 inside mills equal to 1% of true value. Those ten mills are shared between local government entities and schools. Out of the ten mills, on average, townships receive between 1.5 - 2.5 mills, the least amount of any jurisdiction

Unlike other local governments, townships residents must vote on any tax increase making the township directly accountable to its residents. If residents want a service, they vote for a levy. If they do not, they vote against it. Removing a tool from the township's toolbox can make it more difficult to provide the essential services residents deserve and expect. Therefore, the OTA requests the House version, which would remove this provision.

County Budget Commission Reduce Millage – TAXCD110

The Senate added a provision that gives county budget commissions (CBCs) the authority to reduce the millage of any voter-approved tax levy—excluding debt levies—whenever they deem it "reasonably necessary or prudent." This shift would concentrate significant financial power in the hands of the CBC, effectively allowing them to override the funding decisions of locally elected officials and voters. Granting this level of control undermines the intent of the electorate and threatens local fiscal autonomy. The lack of a clear definition for "reasonably necessary or prudent" further opens the door to inconsistent and subjective interpretations. The OTA believes this could lead to millage reductions based on arbitrary reasoning. For these reasons, the OTA requests the House version, which would remove this provision.

There are numerous items in the bill that address the issues and concerns of Ohio's 1,308 townships. Provisions that the OTA support include:

- Increasing the burial permit fee to \$10 and directing \$6 of the collected fee to the Cemetery Grant program (COMCD25)
- Requiring a local option petitioner to pay the full cost of a local option election when no township issue or candidate is on the ballot (LOCCD6)
- Increasing the allocation for the Ohio Public Works Small Villages & Townships Program (Senate PWCCD12)
- Keeping the County Prosecutor on the County Budget Commission (Senate LOCCD19)

The OTA appreciates the work both the House and Senate during the budget process. We look forward to the continued partnership on issues important to townships and their residents. For any questions or concerns, I can be reach at email <u>Brooks@ohiotownships.org</u>, or by phone at 330-608-1854.

Sincerely,

Kyle A. Brooks Director of Governmental Affairs