



June 22, 2017

TO: Members of the Conference Committee
FROM: Ohio Municipal League
SUBJECT: Municipal Requests for Conference Committee

The Ohio Municipal League wants to thank you for the work you have done thus far on items in the Budget that impact municipalities. We want to take a moment to express gratitude for the provisions that both chambers have removed from the bill that would have harmed municipalities, and outline the issues that still need addressed going into Conference Committee.

We appreciate the Senate's removal of a state preemption of local lead abatement ordinances, removing municipal corporations from unitization of land with oil and gas reserves, and the removal of areawide waste treatment management planning. We also appreciate the House's removal of the Governor's original proposal of centralized collection of all business net profit filings, along with the removal of the proposed capacity-based distribution formula for the Local Government Fund.

We ask that the following provisions be made in Conference Committee:

- The removal of the OBG "opt-in" language of municipal net profit business filings for businesses filing through the Ohio Business Gateway with a 1% administration fee charged to municipalities. This language is unconstitutional, will create two different sets of laws for the same class of taxpayer and will be a further erosion of local control and access to revenues. We ask that the House-passed language be restored.
- The removal of the elimination of the "throwback" rule for municipalities which creates a "nexus to nowhere" treatment barring the application of this local tax. This language will significantly challenge municipal budgets across the state and will further restrict investments in infrastructure and capital improvements businesses depend upon. In the event of the "throwback" provision's elimination, we ask for a 5-year sunset to be included, allowing municipalities to prepare for the coming budget holes accordingly.
- The removal of a redirection of \$35 million from Municipal Supplemental Distribution Fund. State revenue sharing agreements with their municipal partners must be continued and dollars meant for Ohio cities and villages must remain with those entities and not to more state programs. Now more than ever, local governments and safety officers must be properly funded as they are on the front lines of the fight against opioid addiction throughout the state.
- The removal of a redirection of \$24 million in LGF dollars from municipalities to townships and small villages. We maintain that there are many well-off townships that do not need the funds our small and midsized cities do as they fight local opioid addiction and rebuild their local economies.
- The removal of language preempting of local water ordinances that would prevent certain municipalities from charging what they deem an appropriate fee for water and wastewater services to surrounding communities.
- The reinstatement of the Local Government Innovation Fund, as those monies are crucial to capital improvements that rebuild local economies.
- Increasing the threshold of petition signatures for village dissolutions from 30% to 35% of the local population.

Thank you for taking the concerns of Ohio's municipalities into consideration. We hope with this budget and future opportunities for the state to forge a stronger partnership with its cities and villages, that the legislature will have the foresight to provide greater support and resources to Ohio's economic engines, Ohio's municipalities.

A handwritten signature in black ink, appearing to read 'KMS', with a horizontal line extending to the right.

Kent Scarrett
Executive Director, Ohio Municipal League