

Dear Township Officials:

Last evening the House and Senate finally agreed to a budget and sent it to Governor Strickland for his signature. Prior to adopting the budget (HB 1) both houses also passed an additional temporary budget giving all parties a few more days to reach an agreement and now it gives the Governor a few days to sign the budget bill.

Please find below a list of items included in the budget. You may view a comparison document of the executive, House passed, Senate passed and conference committee versions of the budget at this link. <http://www.lbo.state.oh.us/fiscal/budget/CompareDoc128/AsReportedbyCC/Default.cfm> You may view the bill in its entirety at [www.legislature.state.oh.us](http://www.legislature.state.oh.us). The effective date for the financial provisions of the bill will likely be the date the Governor signs the bill and all other provisions will be effective 90 days after he signs.

### **Tangible Personal Property (TPP) Tax Reimbursements (RC 5751.20 - 5751.23)**

The conference committee retained the language as passed by the Senate which would provide for permanent replacement of lost revenue from the elimination of the TPP Tax. As you all know, a few years ago the General Assembly enacted a comprehensive tax reform package that eliminated the TPP tax and in return provided for 100% reimbursement of lost revenue to schools and local governments over a period of time (2006-2010) and then provided for a phase-down of funding until the schools and local governments received no reimbursement (2011-2017).

With the enactment of the language in HB 1, there will no longer be a phase-out of funds and schools and local governments will receive 100% reimbursement indefinitely. The OTA strongly encourages you to extend your thanks to your legislators, as this provision will cost the state more money each year especially since the phase-down was scheduled to begin next fiscal year (start date July 1, 2010). Given the financial hardships everyone is facing, the OTA is very grateful to the members of the House and Senate and the Governor for recognizing the impact that the elimination of the TPP had on schools and local governments.

### **Additional Authority to Abate a Nuisance (RC 3767.41)**

Townships have the ability to deal with nuisances pursuant to ORC Section 505.87. The budget bill provides townships with the authority to initiate a civil action to abate a public nuisance according to RC Chapter 3767. This is not a new law, as municipalities currently have the ability to utilize this Chapter of the Code. The changes pursuant to the budget bill simply give townships the same authority as municipalities. The OTA would like to thank Senator Mark Wagoner for including this language in the budget on behalf of his townships.

### **Cafeteria Plans for Insurance Coverage (RC 4113.11)**

As was included in the House passed version of the budget, the conference committee included language requiring any employer, including townships, with ten or more employees to offer a cafeteria plan permitted under Section 125 of the internal revenue code. The OTA and the Ohio Municipal League worked with representatives of the Ohio Department of Insurance on an amendment that would make this requirement more acceptable to our members. The language in the final budget states that an employer with ten or more employees shall adopt and maintain a cafeteria plan but does not have to do this if the employer, through other means, offers health insurance coverage, reimburses for health insurance coverage or provides employees with opportunities to pay for health insurance through other salary reduction arrangements.

The OTA would like to thank the Department of Insurance and members of the House and Senate for working with us to incorporate our changes.

### **Household Sewage Treatment Systems (RC 711.001, 711.05, 711.10, 711.131, 4736.01, 6111.04 & 6111.44 and Sections 640.20-604.24)**

Due to the fact that the moratorium on HB 231 taking effect expired June 30, 2009, the General Assembly extended the moratorium an additional six months from July 1, 2009 to January 1, 2010. Therefore, all laws and rules in effect prior to the enactment of HB 231 (125th General Assembly) are still in effect until January 1, 2010 or until new language is enacted.

The OTA will continue to work with members of the House and Senate, as well as interested parties, on this matter to reach a compromise and enact legislation that addresses HSTS issues.

### **Grade Separations of Ohio Turnpike & County/Township Roads (RC 5537.051)**

The OTA was made aware of a serious issue up along the Ohio Turnpike in Sandusky County with embankment failures along Turnpike overpasses. Basically the grade separations were falling and the safety of those county and township roads were in jeopardy. Last general assembly a bill was introduced to make the Ohio Turnpike

responsible for those embankment failures (HB 168 - 127th General Assembly) but unfortunately the bill did not pass. The bill was reintroduced this year as HB 131.

The language included in HB 1 makes the Ohio Turnpike Commission responsible for major maintenance, repair and replacement of grade separations at intersections of any turnpike project with county and township roads if, as of January 1, 2009, at least one road has been closed in a county as a result of a grade separation failure at an intersection of a turnpike project and county/township road. The local government with jurisdiction over the road would be responsible for routine maintenance of the repaired or replaced grade separations.

The OTA would like to thank Rep. Jeff Wagner and Senator Karen Gillmor for their help in addressing this issue.

#### **Reverse Auctions (RC 9.314 & 9.317)**

Prohibits the state and political subdivisions from using Internet reverse auctions to buy supplies or services if the contract concerns the design, construction, alteration, repair, reconstruction or demolition of a building, highway, road, street, alley, drainage system, water system, waterworks, ditch, sewer, sewage-disposal plant, or any other structure or works of any kind.

#### **Hotel Lodging Tax (RC 5739.09)**

The budget bill alters the definition of "hotel" for which a lodging tax enacted by a township would be collected upon. If your township currently has a lodging tax, please speak with your prosecutor or counsel to see how these changes may or may not impact you.

#### **Ohio Commission on Local Government Reform & Collaboration (Section 701.20)**

The final version of the budget includes language that expands the issues to seven that the Commission must consider when making recommendations to include: (1) making annual financial reporting across local governments consistent for ease of comparison; and (2) aligning regional planning units across state agencies.

#### **Collective Bargaining**

No language was included in the budget on this matter.

#### **Force Account Increase**

The conference committee removed all language pertaining to force account limit increases at the request of interested parties due to the lack of consensus on the proposed changes.

The OTA will inform you when the bill is signed and give you effect dates of these sections. Should you have questions about any of the provisions listed, the OTA encourages you to review the bill language with your legal counsel. Finally, if you like any of the provisions listed in this alert, the OTA strongly encourages you to send a note of thanks to your House and Senate members.

Sincerely,

Heidi M. Fought  
Director of Governmental Affairs  
Ohio Township Association  
6500 Taylor Road, Suite A  
Blacklick, OH 43004  
(614) 863-0045  
(614) 863-9751 Fax

NOTICE: This electronic mail transmission is for the use of the named individual or entity to which it is directed and may contain information that is privileged or confidential. It is not to be transmitted to or received by anyone other than the named addressee (or a person authorized to deliver it to the named addressee). It is not to be copied or forwarded to any unauthorized persons. If you have received this electronic mail transmission in error, delete it from your system without copying or forwarding it, and notify the sender of the error by replying via e-mail or by calling the Ohio Township Association at (614) 863-0045 so that our address record can be corrected.