ITEMS IN AM. SUB. HB 153 IMPACTING TOWNSHIPS
As Passed by Senate
6/8/11

Government Rate for Newspapers (Sec. 7.10 or Page 22-23 or Lines 674-706) - Requires newspapers in Ohio to establish a government rate for advertising and states that the government rate cannot exceed the lowest insert rate paid by other advertisers

Public Notice Requirements (Sec. 7.11, 7.12, 7, 16 125.182 or Pages 23-27 or Lines 707-851) - Revises requirements for a newspaper to qualify as a "newspaper of general circulation" - eliminates requirement that publication be made in a newspaper published in a political subdivision and in two newspapers or in two newspapers of opposite politics - states that if a statute requires 2 or more notices, the first notice shall be published in its entirety in a newspaper and the second notice must be an abbreviated notice and also be published in a newspaper, in addition to being published on the statewide website - eliminates all subsequent notices after two - allows for succinct summary of a resolution as opposed to complete resolution

Sale of On-line Advertising
This language was eliminated from the bill

Prequalify Responsible Bidders
This language was eliminated from the bill

Reverse Auctions
This language was eliminated from the bill

Use of Funds for Abortions (Sec. 9.03, 9.04 or Pages 27-31 or Lines 852-966) - Prohibits a township from using funds to pay the costs, premiums or other charges associated with a health care policy, contract or plan that provides coverage, benefits or services related to an abortion in non-life threatening cases (this mirrors local law with state law on this issue)

Shared Services (Sec. 9.482 or Pages 62-64 or Lines 1923-1976) - Broad provision permitting political subdivisions to collaborate - requires political subdivisions that enter into an agreement for joint services under the bill to first obtain the written consent of a non-participating subdivision if the agreement is to be performed within that non-participating subdivision - clarifies that the language does not limit the ability of subdivisions to create and operate JEDDs or JEDZs

Health Care Plans (Sec. 9.833, 9.90, 9.901 or Pages 67-88 or Lines 2070-2747) - Requires state to create health care plans for local governments and schools - requires self-insurance programs for health care operated by local governments and schools to get approval from state - requires local governments and schools to participate in statewide plan OR consortium of two or more entities offering health care as approved by state OR a self insurance health plan approved by the state - existing township law permitting townships to offer health care shall remain in place until state plan becomes effective - if state plan does not offer all that current law provides, township may continue to still offer those types

Contracts for Lobbying Services (Sec. 101.711 or Page 93 or Lines 2882-2892) - Prohibits a political subdivision, including a township, from entering into a contract for a legislative

agent (or lobbyist) with a cost exceeding $50,000 per year unless approved by the Controlling Board

Public Records Training (Sec. 109.43 or Pages 117-120 or Lines 3627-3716) - Requires the 3-hour public records training to include information on records retention and records commissions

Salary & Benefit Database (Sec. 113.47 or Pages 170-171 or Lines 5291-5317) - Requires all governmental entities to submit reportable information regarding public employee salaries and benefits annually to the Treasurer of State, who in turn shall make the information available to the public

Cost of Audits (Sec. 117.13 or Pages 172-178 or Lines 5353-5486) - Current law requires certain expenses of deputy auditors to be paid out of the state treasury such as vacation, sick time, traveling costs and hotel expenses - this language is stricken from law - new language has been added requiring the Auditor of State to establish by rule rates to be charged to local governments for recovering the costs of audits

Local Government Fiscal Distress (Sec. 118.023, 118.025, 118.04, 118.05, 118.06, 118.12, 118.31, 118.99 or Pages 178-204 or Lines 5487-6367) - Creates designation of "fiscal caution" that applies to local governments - requires the AOS to develop guidelines for identifying practices and conditions of local governments that, if uncorrected, could result in a future declaration of fiscal watch or fiscal emergency - authorizes the AOS to declare local governments that meet requirements to be under fiscal caution - requires AOS to notify a local government of fiscal caution and request written proposals for discontinuing or correcting the declaration - permits AOS to visit and inspect any local government declared to be under a fiscal caution - permits the Auditor to provide technical assistance to eliminate practices that prompted fiscal caution - allows the Auditor to (a) determine whether or not reasonable actions have been taken to discontinue or correct the declaration, and (b) if necessary, declare the local government to be in fiscal watch - requires AOS to seek a detailed financial plan for eliminating the conditions that prompted the declaration, including dates of the commencement, progress upon, and completion of those actions, as well as a five-year forecast reflecting the effects of the actions identified in the plan - requires AOS to approve or reject any initial or subsequent financial plan from a political subdivision in fiscal watch, and if the Auditor determines that a feasible financial plan has not been submitted within 120 days of the declaration of fiscal watch, authorizes the AOS to declare a state of fiscal emergency - makes the following changes in current law that apply to local governments in fiscal emergency: (1) clarifies that AOS is to be reimbursed for any expenses incurred relating to a fiscal emergency, including technical and support services, (2) revises the composition of, and reduces the number of members on, a financial planning and supervision commission established when a local government is declared to be in fiscal emergency, (3) requires that AOS, rather than a financial planning and supervision commission as under current law, serve as the financial supervisor for villages or townships with a population of less than 1,000 that are in fiscal emergency, (4) requires that a political subdivision's financial plan include a five-year forecast and that the plan be updated annually, (5) if local government fails to submit a plan, or fails to substantially comply with it, and the commission gives its certification, requires that all state funding (other than benefit assistance to individuals) be escrowed until plan is submitted or compliance is achieved, (6) permits a commission to limit expenditures from any local government fund if deemed prudent, instead of general fund expenditures, (7) provides for the dissolution of local governments that are in fiscal emergency and meet specified conditions, (8) specifies

that an officer of a local government in fiscal emergency who is convicted of certain violations of current law is ineligible to hold any public office in Ohio or be employed by a public entity in Ohio for seven years after the conviction

Construction Project Reports (Sec. 123.101 or Pages 291-292 or Lines 9068-9102) - Requires public entities, including townships, to submit a report to DAS on each completed capital facilities construction project after July 1, 2011, funded wholly or partially by the state

Local Government Integrating & Innovation Fund/Committees
This language was eliminated from the bill - the $100 million that was to be used for the Innovation Fund was put back into the LGF

Furlough Days & Modified Work Weeks (Sec. 124.393, 124.394 or Pages 342-344 or Lines 10678-10745) - Permits a township to require furlough days for SFY 2012 and 2013 (or July 1, 2011 - June 30, 2013) for exempt permanent full-time or permanent part-time employees not subject to collective bargaining agreements - permits a township to establish a modified work week in SFY 2012-2013 which could provide a reduction from the usual hours worked during a week - after June 30, 2013 these programs could continue but only if township is in fiscal emergency

Statewide Public Notice Website (Sec. 125.182 or Pages 361-362 or Lines 10947-10991) - Requires State's office of information technology to establish, operate and maintain the state public notice website - specifically prohibits charging local governments a fee for posting notices

LGF Formula Modification (Sec. 131.51 or Pages 394-396 or Lines 12275-12323) - Alters the formula for the Local Government Fund starting July 2013 - basically the current formula of 3.68% will be reduced and the new percentage will be calculated as a percent of the FY 2013 distribution divided by total state revenues at that time

Destruction of Public Records (Sec. 149.351 or Pages 452-454 or Lines 14058-14113) - Limits to $10,000 the amount that may be recovered in forfeiture for a violation of the prohibition against the destruction or damage of records of a public office and up to this amount in attorney fees - action must be commenced within five years of the alleged destruction of said records

Records Commissions (Sec. 149.381, 149.42 or Pages 456-458, 463-464 or Lines 14191-14243, 14406-14436) - Clarifies and consolidates the records retention procedures and schedules for townships and revises the procedure used by the Ohio Historical Society for selecting valuable records

Use of Design Build (Chapter 153, Sec. 9.3, 4113.61) - Grants the state, counties and schools, NOT TOWNSHIPS, the option of hiring a design-build firm for public improvement up to $600,000 - all projects over $600,000 must use current law of multiple-prime contractors - defines "design-build services" as an integrated system in which a single vendor is responsible for design, demolition, construction, alteration, repair or reconstruction of public improvements such as buildings and roads - firms must be selected based upon qualifications in a process detailed in statute - requires political subdivisions to give preference to contractors whose principle place of business is in Ohio - defines construction manager at risk - sets rules by which political subdivisions must abide to use a construction manager at risk

Regional Councils of Government (Sec. 167.081 or Pages 541-542 or Lines 16837-16886) - Permits a regional council to enter into unit price contracts related to buildings and structures on behalf of members

New Community Authority
This language was eliminated from the bill

Limited Home Rule Police Services (Sec. 504.16 or Page 804 or Lines 25008-25029) - Permits a limited home rule township to use constables for police protection

Contracting with ESC (Sec. 505.101 or Pages 809-810 or Lines 25182-25201) - Permits a township to enter into a contract with an educational service center (ESC) for the purchase of services

Documentation of Trustee Pay (Sec. 505.24 or Pages 818-821 or Lines 25465-25561) - An AG opinion in 2003 has required township trustees that are paid from funds other than the general fund to document their time and work performed - change permits township to pass a resolution at the beginning of the year setting forth percentages of funds to be used for trustee salaries AND requires trustees to certify or attest the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed - this eliminates the monthly time sheets currently required

Joint Police Districts (Sec. 505.482 or Pages 832-834 or Lines 25900-25958) - Permits two or more townships or one or more townships and one or more municipal corporations to form a joint police district

Allocation of Fiscal Officer Pay (Sec. 507.09 or Pages 857-860 or Lines 26681-26772) - Current law requires the pay of a township fiscal officer to be taken from the general fund - the bill would permit the pay of a township fiscal officer to come from funds other than the general fund depending upon the work performed

Competitive Bidding Thresholds (Sec. 511.01, 511.12, 515.01, 515.07, 521.05, 5549.21) - Increases to $50,000 all township competitive bidding thresholds

Cemetery Rules (Sec. 517.06 or Page 879 or Lines 27338-27350) - Specifically permits townships to make and enforce all needful rules and regulations for burial, interment, reinterment, or disinterment - which would permit a township to require the use of a burial vault in a township cemetery

Township Mergers (Sec. 523.01, 523.02, 523.03, 523.04, 523.05, 523.06, 523.09 or Pages 882-889 or Lines 27431-27651) - Creates two different procedures by which two or more townships could merge together should they wish to do so - both procedures require a vote of the residents - sets forth requirements that must be included in merger agreement and if agreement is not reached within a specified time period, sets forth merger conditions until an agreement can be reached

Expedited Township/Municipal Corporation Merger (Sec. 709.44, 709.451, 709.452 or Pages 891-895 or Lines 27694-27842) - Current law requires a merger study commission and several votes of the residents prior to a township/muni merger - this eliminates the multiple votes and permits the legislative bodies to merge in one of three ways - establishes criteria that must be addressed in the merger - permits the merged entity to choose either municipal or township form of government

Allocation of Township Election Expenses (Sec. 3501.17 or Pages 2264-2269 or Lines 70332-70499) - Current law requires election expenses to generally come from the township general fund - the bill provides that, when expenses are incurred related to a township tax levy ballot issue, the township board of trustees may request that those expenses be withheld from the particular township fund to which the tax is to be credited

Regulating Food Operations (Sec. 3717.54 or Pages 2318-2319 or Lines 72015-72027) - Prohibits political subdivisions from enacting, adopting, or continuing in effect local legislation that bans, prohibits, or otherwise restricts a food service operation because that food service operation is characterized as a quick service or fast food restaurant.

Office Space for Health District
This language was eliminated from the bill

Solid Waste Fees (Sec. 3734.57, 3734.577 or Pages 2459-2477 or Lines 76334-76926) - Keeps the increased tipping fee collected by state for solid waste through June 30, 2014 - current law increased fee only through June 30, 2012 - prohibits a public sector hauler from being exempt from hauling fees that would be paid by a private hauling company

Wellness Programs (Sec. 3901.56 or Pages 2611-2612 or Lines 81112-81144) - Allows health and life insurers, including public employee benefit plans, to offer wellness or health improvement programs that include rewards and incentives to encourage or reward participation

Prevailing Wage Threshold (Chapter 4115 or Pages 2654-2675 or Lines 82416-83069) - Increases prevailing wage threshold for new construction to $125,000 effective this year, $200,000 one year later, and $250,000 one year after that - for reconstruction and improvements, the new threshold is $38,000 this year, $60,000 one year later and $75,000 one year after that - new roads would still be $78,258 and then indexed biennially - road reconstruction and improvements would be $23,447 and then indexed biennially - prevailing wage would not have to apply to school or higher education projects and projects that are completed solely with labor donated by the individuals performing the labor, by a labor organization and its members, or by a contractor or subcontractor that donates all labor and materials for the portion of the public improvement project

Road Weight Limits (Sec. 5577.042, 5577.043 or Pages 3809-3813 or Lines 118118-118232) - Removes the provision recently enacted in HB 114, the transportation budget, that no wheel or axle load limits are to apply to vehicles that are transporting certain specific materials and do not exceed the existing gross vehicle weight limit by more than 5% or 7.5%

Police & Fire Levies (Sec. 5705.19 or Pages 3838-3848 or Lines 119028-119320) - Expands the allowable use of police and fire levy monies to include EMS, communications and administration in fire use and part-time employees, administration, communications and employer pension contributions

Enterprise Zone Extension (Sec. 5709.63, 5709.632 or Pages 3926-3939 or Lines 121782-122198) - Extends through October 15, 2012, the ability of a municipal corporation or county to create an enterprise zone

Tax Increment Financing Districts (Sec. 5709.73 or Pages 3939-3952 or Lines 122199-122612) - Extends certain notice and veto rights to a joint vocational school district that

would forgo tax revenue as the result of the creation of a TIF by a county, township or municipality

Energy Project Taxation (Sec. 5727.75 or Pages 4036-4047 or Lines 125289-125634) - Extends by three years the deadline by which the owner of a qualified energy project must meet certain requirements regarding the energy facility in order to qualify for tax exemption

Public Utility Tax Reimbursements (Sec. 5727.84, 5727.86 or Pages 4047-4075 or Lines 125635-126491) - Current law provides public utility tangible property reimbursements to local governments for taxes lost due to electricity and natural gas deregulation - payments began phasing out in 2007 - bill changes the reimbursement program from what was lost in taxes to the reliance on those reimbursements - reliance is measured in terms of the percentage of total revenue resources available to the local government for current operating expenses, which also includes an estimated amount for 2010 - for a township, "total resources" is defined as local property taxes, LGF distributions, TPP tax reimbursements, and utility tax reimbursements - reimbursement to local governments will be phased out by rule, whereby no more than 2% of the unit's total revenue resources are removed each year for CY 2011 and CY 2012 - if a township receives less 2% or less of its resources from utility deregulation reimbursement, the entire amount is eliminated as of July 1, 2011 - if a township has greater than 2% reliance on the utility reimbursement, the reduction in reimbursement the first year (CY 2011) is an amount equal to 2% and then 2% the second year (CY 2012) - if a township is still getting money as of CY 2013, the township will receive what they received in CY 2012 and thereafter - all revenue collected by state for these reimbursement programs will be redirected to the state's general revenue fund

Repeal of Estate Tax (Sec. 5731.02, 5731.19, 5731.21 or Pages 4077-4082 or Lines 126552-126714) - Current law establishes an estate tax on properties valued at $338,000 or above - 80 percent of revenue from the estate tax is returned to the local government (township or municipality) of residence and 20 percent goes to the State of Ohio - bill repeals the estate tax as of January 1, 2013

New LGF Statutory Allocation Formula (Sec. 5747.51, 5747.52 or Pages 4208-4222 or Lines 130647-131087) - Eliminates old statutory formula and replaces with a formula based on a variety of current year statistics and valuations - permits 75% of the LGF recipients in a county, after July 1, 2011, to request the use of the statutory formula as opposed to the alternative formula, if county is using it - eliminates all largest city veto power and population thresholds

Tangible Personal Property Tax Reimbursements (Sec. 5751.20, 5751.22 or Pages 4274-4311 or Lines 132702-133840) - Current law provides tangible personal property (TPP) reimbursements to local governments for taxes lost due to when the state eliminated the TPP tax in 2005 - payments are scheduled to begin phasing out July 1, 2011 - bill changes the reimbursement program from what was lost in taxes to the reliance on those reimbursements - reliance is measured in terms of the percentage of total revenue resources available to the local government for current operating expenses, which also includes an estimated amount for 2010 - for a township, "total resources" is defined as local property taxes, LGF distributions, TPP tax reimbursements, and utility tax reimbursements - reimbursement to local governments will be phased out by rule, whereby no more than 2% of the unit's total revenue resources are removed each year for CY 2011 and CY 2012 - if a township receives 2% or less of its resources from TPP reimbursement, the entire amount is eliminated as of July 1, 2011 - if a township has

greater than 2% reliance on the TPP reimbursement, the reduction in reimbursement the first year (CY 2011) is an amount equal to 2% and then 2% the second year (CY 2012) - if a township is still getting money as of CY 2013, the township will receive what they received in CY 2012 and thereafter - all revenue collected by state for these reimbursement programs will be redirected to the state's general revenue fund

Water & Sewer Districts (Sec. 6119.061 or Pages 4361-4363 or Lines135421-135470) - Expands the contracting authority of regional water and sewer districts - declares that whenever any portion of a regional water and sewer district is incorporated as, or annexed to, a municipal corporation, the area incorporated or annexed remains under the jurisdiction of the district for purposes of the acquisition, construction, or operation of a project until the project's completion or abandonment

Fire Departments/Grants (Sec. 243.10 or Pages 4506, 4507-4509 or Lines 139725-139729, 139754-139796) - Permits small government fire department grant money to be given to private fire departments - appropriates up to $1,647,140 in each fiscal year to be used to make annual grants to volunteer fire departments, departments that serve one or more small governments, joint fire districts comprised of small governments, twps/muni responsible for fire departments and private fire companies

Disaster Fund (Sec. 247.10 or Pages 4511-4512 or Lines 139881-139904) - Provides potential assistance to local governments hit by a natural disaster or emergency

Education Shared Services Study (Sec. 267.50.90 or Pages 4603-4605 or Lines 142514-142568) - Requires the Director of 21st Century Education to develop a plan for integration and consolidation for certain school programs by July 1, 2012 - requires Director to make recommendations for consolidation and shared service models for schools - Director shall, by October 15, 2011, conduct a shared services study, including local governments, to gather baseline data and shall report an implementation plan to Governor and General Assembly by January 1, 2012

Homestead/Property Tax Rollbacks (Sec. 403.10 or Pages 4819-4820 or Lines 148533-148558) - Makes an appropriation for the rollbacks distributed to local governments and schools

Adjustment to LGF Distributions (Sec. 757.10 or Pages 4950-4957 or Lines 152402-152622) - Reduces LGF by 25% for August - December 2011 payments compared with August - December 2010 payments - reduces LGF by 50% for August 2011 - July 2012 payments compared with August 2010 - July 2011 payments - county undivided funds that received less than $750,000 in FY 2011 will receive that exact amount in FY 2012 and FY 2013 - county undivided funds that received more than $750,000 in FY 2011 must receive at least $750,000 in FY 2012 and FY 2013 regardless of reductions set forth in bill

Appeal of Levy Classifications (Sec. 757.20 or Page 4957 or Lines 152623-152634) - Permits a political subdivision to appeal, in writing, to the Tax Commissioner any levies classified for calculations to utility and TPP reimbursements - all appeals must be completed prior to June 30, 2013