



Budget Provisions of Municipal Impact

Provisions supported by the League:

- **Local Government Fund (LGF) Increase:** The Governor's proposed budget includes a 9.1% increase to the LGF in FY 20 and a 1.8% increase in FY 21.
- **H2Ohio Fund.** Would allocate \$900 million to address water quality issues.
- **Tax Increment Financing (TIFS).** Would allow local governments to extend TIFS to an additional 30 years for large, high-impact developments.
- **Local Crisis Services.** Would fund local crisis services related to substance use disorder with General Revenue Funds (GRF) rather than diverting funds from the LGF.
- **Opportunity Zones.** Would conform Ohio law to include the Opportunity Zones established in the Tax Cuts and Jobs Act of 2017 for economically-distressed communities to attract businesses that will invest in revitalizing local communities.
- **Ohio Business Gateway (OBG).** Increases funding for the OBG by 295.34% in FY 20.
- **Local Government Audit Support.** Allocates \$10 million each fiscal year for local government audit support.
- **Bureau of Criminal Investigation (BCI) Lab Testing.** Allocates a total of \$21 million over the biennium for BCI lab tests, defraying the cost that would otherwise be passed to local governments.

Provisions opposed by the League:

- **Municipal Net Profit Estimated Payments.** Mandates that if a municipality receives a negative distribution from the state for business net profit filings through the OBG, the municipality must pay the amount of the deficiency to the state to balance the state's books. This language must be removed from the budget bill and introduced as separate legislation.
- **Property Tax Replacement Phase-Out.** Would phase out the Property Tax Replacement for local governments.
- **Multi-Agency Radio Communication (MARCS).** MARCS provides state-of-the-art wireless digital communications to first responders and public safety providers and promotes interoperability. The Governor's proposal defunds the MARCS local government fee offset. The administration has not funded the local government fee offset for MARCS in the past; however, that funding was always restored by the General Assembly. The League is requesting that legislators restore the fee offset.