



## Sub. HB 166: Provisions of Municipal Impact

### Provision Changes Requested by the League:

- **Local Government Fund (LGF) Increase:** The League is disappointed that there was not a greater investment made in our communities by restoring funding levels to this critical source of funding for cities and villages. The as-introduced LGF funding levels were preserved at a 9.1% increase to the LGF in FY 20 and a 1.8% increase in FY 21. The League requests additional relief to our financially-strapped hometowns, which the state depends upon for the efficient delivery of critical services every day.
- **Municipal Net Profit Estimated Payments.** Mandates that if a municipality receives a negative distribution from the state for business net profit filings (through the new state centralized collection of municipal net profit revenues), the municipality must pay the amount of the deficiency to the state from unrelated sources of municipal income to balance the state's books. The League requests the language be removed and introduced as separate legislation so that a deliberative resolution can be reached that would consider the concerns of municipalities while achieving a better state distribution system of municipal tax revenue.
- **Multi-Agency Radio Communication (MARCS).** Allocates \$2 million over the biennium for the local government fee offset. The League appreciates this partial reinstatement of the local fee offset for MARCs, but the need is for at least \$4 million in funding over the biennium. The continued state funding of this critical resource will allow many of Ohio's local first responders to remain in the MARCs program and that the benefits of having Ohio's safety forces able to communicate among one another will continue. The League seeks full funding for this mission critical capability.
- **Motion Picture Tax Credit Repeal.** Repeals the refundable tax credit for motion picture production expenditures, meaning no new credits would be authorized after FY 2019, but credits certified before FY 2020 could continue to be claimed. The League believes support for the expansion of this industry should be nurtured and not trimmed.
- **Property Tax Replacement Phase-Out.** Phases out the Property Tax Replacement for local governments.
- **August Special Elections.** Prohibits local tax levies from appearing on August special election ballots.
- **Property Tax Complaints.** Requires local government to pass individual resolutions for each property tax contest.
- **Residential Property Tax Abatement.** Exempts unimproved land subdivided for residential development from increased property taxes for up to 5 years.



### **Provisions Supported by the League:**

- **Opportunity Zones.** Incentivizes investment in struggling communities via income tax credits for businesses that invest in Opportunity Zones as defined by the federal Tax Cuts and Jobs Act of 2017.
- **H2Ohio Fund.** Creates an advisory group of governor and legislative appointees to develop a spending plan for that program, in addition to the existing allocation of \$900 million to address water quality issues.
- **Tax Increment Financing (TIFS).** Allows local governments to extend TIFS to an additional 30 years for large high-impact developments.
- **Local Crisis Services.** Funds local crisis services related to substance use disorder with General Revenue Funds (GRF) rather than diverting funds from the LGF.
- **Opportunity Zones.** Conforms 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).** The substitute bill did not change the existing language, which increases funding for the OBG by 295.34% in FY 20.
- **Local Government Audit Support.** Creates a new General Revenue Fund (GRF) line item to support the Auditor of State's costs when they are not recovered from local governments or state entities that have been audited. Increases the allocation for local government audit support to \$13 million each fiscal year.
- **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.
- **Hotel Intermediaries: Sales and Lodging Taxes.** Requires hotel intermediaries to collect and remit local lodging taxes.
- **Vexatious Litigators.** Requires a vexatious litigator obtain court permission before requesting public records.