

- Increase in 30 county sheriff fees
- Increase of competitive bidding threshold for various political subdivisions
- Vetoed provisions

Local Government Provisions

Carol Robison, Budget Analyst

OVERVIEW

Local government provisions address various budgetary and policy issues applicable to local government entities. The scope of these policy and budgetary issues is rather large. Therefore, unlike past Final Fiscal Analyses Reports, the Final Fiscal Analysis for the FY 2004 - 2005 budget presents local government provisions in this separate section. The provisions are organized alphabetically by the title of each provision followed by a description of each of these provisions.

BUDGET ISSUES

COMPETITIVE BIDDING THRESHOLD FOR VARIOUS POLITICAL SUBDIVISIONS

(Sec. 307.86, 307.87)

Cities, Villages, Libraries, and Townships

This permanent law provision raises the competitive bidding threshold from \$15,000 to \$25,000 applicable to the award of various contracts by: (1) village legislative authorities and administrators, (2) city directors of public service and public safety, (3) boards of library trustees (for the construction and repair of library buildings, and (4) boards of township trustees (for the construction of memorial buildings, for the procurement of artificial lighting for roads, public places, or buildings under its supervision or control, and for the purchase or lease of machinery and tools for road or culvert construction, maintenance, or repair. Cities, villages, libraries, and townships could experience potential administrative cost savings associated with less frequent competitive bidding.

Fire Ambulance Districts and Townships

This permanent provision raises the competitive bidding threshold from \$10,000 to \$25,000 applicable to the award of contracts by (1) fire and ambulance districts (for any expenditure other than for employee compensation) and (2) boards of township trustees (for maintenance or repair improvement of private sewage collection tiles located within a township road right-of-way). Administrative expenses could potentially decrease due to the possibility of fewer competitively bid projects or work.

Counties

The competitive bidding threshold is raised from \$15,000 to \$25,000 above which county contracts must be awarded by competitive bidding. Contracts for the purchase of services related to information technology, including programming, which are proprietary or limited to a single source, are exempted from county competitive bidding requirements. The provision permits counties to post notices of competitive bidding to be placed on their websites and eliminates the requirement that second notices of competitive bidding be placed in newspapers.

Counties may experience a potential reduction in expenses due to posting bidding notices on websites and the elimination of one of the two current bidding notices in a newspaper, and a reduction in administrative costs associated with fewer competitive bids.

COUNTY AUTHORIZATION TO CREATE LOCAL FUNDING OPTIONS FOR CONSTRUCTION OF CONVENTION CENTERS

(Section 145.03QQ)

The act grants permissive authority to counties with populations of 1,000,000 or more to levy an additional 2% in food and beverage and lodging taxes to fund construction, improvement, expansion, and operation of convention centers, including a port authority educational and cultural facility. The maximum lodging tax that may be levied by affected counties ranges from 3% to 5%. In addition, the tax may be levied for an extended period not to exceed an additional 40 years. Proceeds of the tax that may no longer be needed for their original purpose are to be deposited into the county general fund. Counties may potentially experience a revenue gain, as well as an increase in administrative expenses associated with implementing such changes.

Currently, this provision would apply to Cuyahoga and Franklin counties. A 2% tax on food and beverages consumed on premises would raise an estimated \$15.1 million per year in Cuyahoga County. A 2% increase in the “bed tax” would raise \$5.2 million per year in Cuyahoga County. The current bed tax in Cuyahoga County is 1.5%, which generates approximately \$3.9 million per year.

COUNTY DRAINAGE FACILITIES RATE AND FEE ADJUSTMENTS

(Sec. 6117.02)

Changes to permanent law authorize boards of county commissioners to fix rates and charges for the use of county drainage facilities in order to pay the costs of complying with storm water expansion requirements prescribed under Phase II of the National Pollutant Discharge Elimination System (NPDES) program. Phase II expands the NPDES program by designating additional sources of storm water for regulation, including small municipalities, small construction sites, and municipally-owned industrial facilities. The provision also authorizes these rates and fees to be paid annually or semiannually with real property taxes. Fiscally, the provision creates a potential gain in county revenues and a potential increase in municipal expenditures.

COUNTY SHERIFF FEES INCREASES

(Sec. 311.17)

Various fees that are charged by county sheriffs, shown in the following table, have been increased in permanent law, which will result in an unknown revenue gain.

| Service | Current Fee | Increased Fee |
|--|--------------------|----------------------|
| 1. Service and return of writs and orders: | | |
| Execution when money is paid without levy or no property is found | \$5 | \$20 |
| Execution when levy is made on real property, <i>for first tract</i> | \$20 | \$25 |
| Execution when levy is made on real property <i>for each additional tract</i> | \$5 | \$10 |
| Execution when levy is made on <i>goods and chattels, including inventory</i> | \$25 | \$50 |
| 2. Writ of attachment of property, except for purpose of garnishment | \$20 | \$40 |
| 3. Writ of attachment for purpose of garnishment | \$5 | \$10 |
| 4. Writ of replevin | \$20 | \$40 |
| 5. Warrant to arrest, for each person named in the writ | \$5 | \$10 |
| 6. Attachment for contempt, for each person named in writ | \$3 | \$6 |
| 7. Writ of possession or restitution | \$20 | \$60 |
| 8. Subpoena, for each person named in the writ – civil case | \$3 | \$6 |
| Subpoena, for each person named in the writ – criminal case | \$1 | \$6 |
| 9. Venire, for each person named in the writ – civil case | \$3 | \$6 |
| Venire, for each person named in the writ – criminal case | \$1 | \$6 |
| 10. Summoning each juror, other than on venire – civil case | \$3 | \$6 |
| Summoning each juror, other than on venire – criminal case | \$1 | \$6 |
| 11. Writ of partition | \$15 | \$25 |
| 12a. Order of sale on partition, for the first tract | \$25 | \$50 |
| Each additional tract | \$5 | \$25 |
| 13a. Other order of sale of real property, for first tract | \$20 | \$50 |
| Each additional tract | \$5 | \$25 |
| 14. Administering oath to appraisers | \$1.50 | \$3 |
| 15. Furnishing copies for advertisements for each 100 words | \$.50 | \$1 |
| 16. Copy of indictment for each defendant | \$2 | \$5 |
| 17a. All summons, writs, orders, or notices, for the first name | \$3 | \$6 |
| Each additional name | \$.50 | \$1 |
| 18a. In addition to the fee for service and return, the sheriff shall charge – on each summons, writ, order, or notice per mile for the first mile | \$.50 | \$1 |
| Each additional mile | \$.20 | \$.50 |
| 19. Taking bail bond | \$1 | \$3 |
| 20. Jail fees: Receiving a prisoner, each time a prisoner is received | \$4 | \$5 |
| 21. Jail fees: Discharging or surrendering a prisoner, each time | \$4 | \$5 |

| Service | Current Fee | Increased Fee |
|---|-------------|---------------|
| 22. Jail fees: Taking a prisoner before a judge or court, per day | \$3 | \$5 |
| 23. Jail fees: Calling action | \$.50 | \$1 |
| 24. Jail fees: Calling jury | \$1 | \$3 |
| 25. Jail fees: Calling each witness | \$1 | \$3 |
| 26. Bringing prisoner before court on habeas corpus | \$4 | \$6 |
| 27. Poundage on all moneys actually made and paid to the sheriff on execution, decree, or sale of real estate | 1% | 1.5% |
| 28. Making and executing a deed of land sold on execution, decree, or order of the court, to be paid by the purchases | \$25 | \$50 |
| 29. Foregoing services rendered by an officer or employee, whose salary or per diem compensation is paid by the county, shall be taxed in costs of the case and paid to a county's general revenue fund | No tax | Tax |
| 30. Any other extraordinary expenses, including overtime, are also taxed. | No tax | Tax |

COURTS REALIZE AN INCREASE IN AMOUNTS CHARGED FOR BAIL AND COURT COSTS

(Sec. 2949.091)

This permanent law provision increases the amount from \$11 to \$15 that Courts will (1) impose in court costs upon an offender who is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, and (2) charge as an additional fee to any bail to be paid by a person who is charged with any offense other than a traffic offense that is not a moving violation.

According to information provided by the office of Budget and Management, this increase in additional court costs imposed on an offender and charged for bail will generate an additional \$8 million annually for deposit into the GRF.

LIEN RENEWAL LIMITATIONS AND REQUIREMENTS ARE ELIMINATED

(Sec. 2305.26, 2329.07)

This permanent law revision eliminates (1) the six-year statute of limitations during which the state, or an agency or political subdivision of the state, must enforce a lien, (2) the requirement that the state, or an agency or political subdivision of the state, must file a notice of continuation of a lien in order to renew statutory liens every six years, and (3) the requirement that the state must renew judgment liens every ten years.

This provision will likely create some minimal savings in administrative costs by eliminating the requirement that the state or an agency or political subdivision of the state continually renew such liens.

LOCAL CORRECTIONAL FACILITIES COMMISSARIES

(Sec. 307.93, 341.05, 341.25, 753.22, 2301.58, 2929.38)

The permanent law provision permits profits from a commissary of a jail or other local correctional center to be used for the salary and benefits of employees who work in or are employed by the jail or as a service provider to the commissary. The provision allows increased flexibility in spending profits because currently those profits must be used for the benefit of the incarcerated persons.

LODGING TAX FOR PORT AUTHORITY MILITARY-USE FACILITIES

(Sec. 5705.41)

This permanent law provision grants permissive authority to counties to use revenue from existing lodging tax authority, or to increase its lodging tax rate by up to 2% or both to help fund operations of port authority facilities serving as, or adjacent to, a military installation and used by the military.

METROPOLITAN HOUSING AUTHORITIES

(Sec. 3735.27)

This provision in permanent law changes the method for appointing members of Metropolitan Housing Authorities located in counties (1) with a population of at least 400,000 and (2) that have no cities with a population greater than 30% of the total county population. The provision requires that in affected districts, one member is appointed by the probate court (identical to current law), one member is appointed by the chief executive officer of the most populous city in the district (appoints two members under current law), and two members are appointed by the board of county commissioners (appoints one member under current law); and the provision specifies terms of office and procedures for the transition in appointments.

The provision also requires that two additional members must be appointed in specified Metropolitan Housing districts (those that have 300 or more assisted units and do not already have a resident member). One of the two additional members must reside in assisted housing. The chief executive officer of the most populous city is directed to appoint the member who resides in assisted housing, and the board of county commissioners is directed to appoint the other additional member, who need not reside in assisted housing.

PRE-TRIAL DIVERSION PROGRAM

(Sec. 2935.36)

This change to permanent law authorizes Ohio's county prosecuting attorneys to charge persons entering pre-trial diversion programs a fee for supervision services. The provision provides explicit statutory authority for a prosecuting attorney to charge such a fee. Currently, some prosecuting attorneys charge a fee and some do not. The amount of annual revenue gain to local jurisdictions is uncertain, but could theoretically be sufficient to offset all, or a portion, of the costs associated with operating a pre-trial diversion program.

POLITICAL SUBDIVISION OR TAXING UNIT PURCHASE ORDERS**(Sec. 5705.41)**

Permission is granted in permanent law so that purchase orders of a political subdivision or taxing unit may extend for a period established by the legislative authority of the subdivision or taxing unit that does not extend beyond the end of the fiscal year instead of not beyond three months or the end of the fiscal year as under current law. Also the amount of the purchase order may be for any amount established by the legislative authority rather than the \$5,000 limit as under current law. Affected subdivisions or taxing units could experience a decrease in expenses due to the possibilities of extended payment options on purchases of contracted goods or services.

REGIONAL WATER AND SEWER DISTRICT COMPETITIVELY BID CONTRACTS**(Sec. 6119.10)**

The act increases from \$15,000 to \$25,000 the threshold above which contracts of regional sewer and water districts must be competitively bid. This change in the competitive bidding threshold may cause a potential decrease in administrative costs to certain political subdivisions.

RICHLAND COUNTY COURT OF COMMON PLEAS JUDGE**(Sec. 2301.02, 2301.03)**

The act creates one new judgeship in the Juvenile Division of Richland County's Court of Common Pleas. The judge's term will begin January 3, 2005. Therefore, starting with FY 2006, the annual amount in GRF funding that the Supreme Court of Ohio will disburse in the form of state support for the new judge is estimated at \$124,562, which consists of: (1) \$102,100 in salary, (2) \$13,590 in PERS contributions, and (3) \$8,872 in miscellaneous other contributions. Since this new judgeship begins at the halfway point in the state's FY 2005, the amount of state support in FY 2005 would total \$62,281.

The cost to Richland County for the new judgeship will amount to \$15,897 (\$14,000 for base salary and \$1,897 for PERS benefits). Currently, the Richland County Board of County Commissioners does not anticipate the need to hire any additional staff to support the new judgeship, and until assessment is completed in January 2005, the board does not believe that any new facilities or renovations will be needed.

TOWNSHIP AUTHORITY TO HAVE FIVE-MEMBER BOARD OF TRUSTEES REPEALED**(Sec. 504.03, 504.04, 504.21)**

This provision bars a limited home rule township that does not already have a five-member board on the amendment's effective date from creating a five-member board of trustees, as under current law. The continuation of a five-member board of trustees in cases where a five-member board already exists is permitted, but only until the limited home rule form of government is terminated by the electors under existing law. This would limit possible increases in salary and benefit compensation costs for limited home rule townships that would have otherwise occurred if they expanded from three to five trustees.

TOWNSHIP CLERK SALARIES

(Sec. 507.09)

The act creates a pay raise for township clerks. In townships with a budget of less than \$6 million for the years 2003 and 2004, clerks will receive a 3% increase or the percentage increase in the Consumer Price Index, whichever is lower.

Starting in calendar year 2004, township clerks in townships with a budget of more than \$6 million, but not more than \$10 million will receive a salary of \$22,087. In townships having a budget of more than \$10 million in 2004, the clerk's salary is \$25,553. Until 2009, the clerk's salary will increase annually either by 3% or a percentage based on the increase in the Consumer Price Index, whichever is lower. As such, a township's new expenses for clerk salary increases could be reduced, assuming the inflation rate continues at less than 3%.

TOWNSHIP PARKS

(Sec. 511.181)

Under this permanent law provision, certain township park districts are allowed to convert parks owned and operated by the district into parks owned and operated by the township. There may be a decrease in expenditures for certain township park districts and a potential increase in expenditures for certain townships.

VETERANS SERVICE COMMISSIONS

(Sec. 5901.021)

This permanent law provision requires that any additional members of a county veteran's service commission who are appointed in certain counties under certain conditions must be honorably discharged or separated veterans. The provision also increases from 400,000 to 500,000 the county population necessary for adding members to county veterans' service commissions that submit budget requests that exceed a specified amount. This provision carries no fiscal effect.

VETOED PROVISIONS

Limit the Right to Appoint Counsel in Juvenile Court Proceedings (Sec. 2151.352)

The Governor vetoed this provision that would have limited the right to appoint counsel in specified proceedings in a juvenile court dealing with the custody or support of a child or dealing with companionship, visitation, and other issues related to a parentage action. The practical effect of amending this preexisting provision will be to remove the legal right to appointed counsel, which currently exists in juvenile courts for cases involving visitation, custody, and support. The change will make juvenile court more like domestic relations court, which does not guarantee the right to legal representation in visitation, custody, and support cases.

Apparently, it is currently the practice in some areas of the state in these cases where an individual cannot afford legal counsel for a domestic relations judge to transfer the case to juvenile court where appointed counsel is mandated. Eliminating the use of appointed counsel in the select number of cases that will be

covered by the provision could result in a decrease in annual county and state expenditures. While the size of the court would have a significant impact on the amount of that potential savings, it is also likely that different juvenile judges and different courts may have different attitudes about how vigilant they are in making individuals appearing before the court aware of their right to representation. Those jurisdictions where judges vigilantly appoint counsel would most likely realize a greater savings if the practice were limited.

State Agency Planning for Client and Customer Needs (Sec. 107.31)

This permanent law provision would have required submission to the General Assembly of specified information describing how a state agency plans to meet the needs of clients served by a state institutional facility that is proposed to be closed.

New Commission for the Closure of State Facilities (Sec. 107.32, 107.33)

Authorization is given in permanent law for the creation of a State Facilities Closure Commission regarding the possible closure of state institutional facilities for the purpose of expenditure reductions or budget cuts. The fiscal effect would be an occasional one-time state administrative cost for the commission to perform its reporting duties under this codified law provision. Costs to the state would unlikely exceed minimal, and the process should not create any local fiscal effects. 