

Introduction

R.C. 103.143 requires the Legislative Service Commission (LSC) to determine whether a local impact statement (LIS) is required for each bill that is introduced and referred to committee. An LIS may be required when a bill could result in net additional costs beyond a minimal amount to school districts, counties, municipalities, or townships. An LIS is not required for budget bills or joint resolutions. It is also not required when the bill is permissive or when the bill's potential local costs are offset by additional revenues, offset by additional savings, or caused by a federal mandate. The LIS determination is based solely on the "As Introduced" version of the bill.

R.C. 103.143 also requires LSC to annually compile the final local impact statements completed for laws enacted in the preceding calendar year. The report is to be completed by September 30 each year. This 2010 report covers the 14 bills enacted in calendar year 2009, only one of which required an LIS. The LIS requirement is met through the detailed analysis of local fiscal effects included in LSC's fiscal notes.

Regardless of whether a bill requires an LIS, the fiscal note analyzes the bill's fiscal effects on both the state and local government. However, under R.C. 103.143, when a bill requiring an LIS is amended in a committee, the bill may be voted out of the committee by a simple majority vote with a revised LIS (a requirement fulfilled by preparing an updated fiscal note) or by a two-thirds vote without a revised LIS. Because various bills are exempted from the LIS requirement, this report does not include every bill enacted in 2009 that may have fiscal effects on local government. It should also be noted that the fiscal note in this report was prepared for the General Assembly's deliberations on pending legislation. This means that cost estimates included in the fiscal note may differ from the actual costs of implementing these laws, as the estimates were made before the enacted legislation was implemented. For those who are interested in the local fiscal effects of all legislation enacted in 2009, please see the LSC fiscal notes for those laws, which are available on the LSC web site (www.lsc.state.oh.us).

In addition to this introduction, the report contains comments from the County Commissioners' Association of Ohio, the Ohio Municipal League, the Ohio Township Association, and the Ohio School Boards Association. LSC is required to circulate the draft report to these associations for comment and to include their responses in the final report. The main section of the report includes the final version of the fiscal note for H.B. 19, the only bill enacted in 2009 that required an LIS and became law. The 11 House bills and three Senate bills enacted in 2009 are listed in the appendix.

This report may be viewed online at www.lsc.state.oh.us by clicking on *Publications*, and then *Local Impact Statement Report* under the *Staff Research Reports* heading.