

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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BILL: **H.B. 371** DATE: **April 23, 2008**  
STATUS: **As Introduced** SPONSOR: **Rep. Flowers**  
LOCAL IMPACT STATEMENT REQUIRED: **Yes**  
CONTENTS: **To modify coverage of the Public Employees' Collective Bargaining Law with respect to township fire departments**

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## State Fiscal Highlights

- No direct fiscal effect on the state.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
<b>Townships</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase in firefighter salary and benefit costs	Potential increase in firefighter salary and benefit costs	Potential increase in firefighter salary and benefit costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill allows township fire department employees to collectively bargain if the township has a population of less than 5,000 in its unincorporated area, but has a population of at least 5,000 in both the incorporated and unincorporated areas of the township served by the fire department. As a result, the bill could increase township fire department costs. This is because public employees with the ability to collectively bargain generally have higher salaries and increased benefit costs compared to employees that do not have that right.



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## *Detailed Fiscal Analysis*

The Public Employees' Collective Bargaining Law permits certain public employees to bargain collectively with their public employers concerning wages, hours, terms, and conditions of employment and the continuation, modification, or deletion of an existing collective bargaining agreement. For townships, this includes townships with a population of at least 5,000 in their unincorporated areas according to the most recent federal decennial census. The bill modifies this provision to allow township fire department employees to collectively bargain if a township has a population of less than 5,000 in its unincorporated area, but has a population of at least 5,000 in both the incorporated and unincorporated areas of the township served by the fire department. The bill also allows a township to terminate such a collective bargaining agreement if a municipality currently served by the township fire department opts out of a fire service agreement, causing the population served by the township fire department to fall below 5,000.

The 2000 Census shows that there are 1,153 Ohio townships with a population less than 5,000 in the unincorporated territory, but LSC does not know how many townships operate a fire department that would qualify under the bill. One example would be Jackson Township in Franklin County. That township has less than 5,000 people in its unincorporated territory and maintains a fire department that serves Grove City.

Generally, public employees with the right to collectively bargain usually have higher salary and benefit costs than employees whom do not have the right to collectively bargain. Thus, it seems reasonable to assume that the bill could result in increased salary and benefit costs to those townships whose fire departments qualify for collective bargaining under the bill.

*LSC fiscal staff: Terry Steele, Budget Analyst*

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