March 17, 2017

On Tuesday, the House Finance Subcommittee on State Government and Agency Review held extensive hearings regarding the municipal income tax provisions in the Governor's proposed budget. The League was on hand to chronicle the testimony presented and the subsequent "Q&A" from committee members (which is always a critical component of the information gathering exercise that are committee hearings) to testify and to support the witnesses who came to the committee to defend their communities financial integrity. We want to thank all of the great professionals to who came out to support and give testimony. We also want to thank the many legislators who were very engaged and thoughtful during very long committee hearings on often very technical testimony this week.

The following are full reviews of the testimony presented and conversations that followed, as the House continues to review the centralized collection and throwback language. We feel that because the issues included in HB49, the state operating budget bill, impacting the municipal income tax particularly, are such critical issues to Ohio's cities and villages, that our members would be interested in a detailed reporting of the House committee actions. The following is lengthy, but for those that are interested in accessing as much information on the topics as possible, we hope this timely information is helpful.

EXTENSIVE HEARINGS ON MUNICIPAL TAX ISSUES HELD

On Thursday, the House Finance Subcommittee on State Government and Agency Review held hearings on the tax portions on HB 49, the Governor's proposed budget. Tina Timberman, Tax Administrator for the City of Athens, gave testimony on how both the centralized collection of municipal net profits for income tax and the elimination of the "throwback" rule would harm her community, impacting not only the local government but businesses, and tax preparers and accountants.

She was followed by Tax Commissioner Joe Testa, who repeated the same testimony he delivered in the House Ways and Means Committee. Before the Committee opened up to questions, Commissioner Testa was followed by Deputy Tax Commissioner Marjorie Kruse who rebutted Mrs. Timberman's testimony, defending the state's ability to audit and enforce total compliance, despite not having the local presence or expertise local tax offices enjoy. She was unable to rebut Tina's assertion that businesses would no longer benefit from tax credit carry-forwards in the event of over-payment, and insisted that cities would still be able to conduct independent audits of businesses - despite there being no such provision in the bill language ensuring the Tax Department will give the cities the information necessary to conduct such an audit.

Kruse then stood for questioning. Rep. Gavarone said she had been hearing concerns from municipalities in her district regarding the fact that they self-collect for less than 1% (the proposed administration fee the state would collect), that the cities would only receive vague quarterly filing info and would therefore be unable to conduct audits or review filings. She asked why filing through the Ohio Business Gateway could not remain voluntary - creating a win-win scenario for both municipalities and businesses.

Kruse reiterated the claim that municipalities could still review and audit, then referred to a sampling of 96 municipalities taken by ODT that showed 4 municipalities that would pay more if they were forced to pay the 1% administration fee to ODT. There are over 600 municipalities in Ohio that levy an income fee, making the sampling of 96 random municipalities seem a little unsubstantial.

Testa then answered the question, saying mandatory collection is the only way to achieve uniformity. Both Testa and Kruse emphatically argued that collection of this tax must be mandatory and that the state cannot provide a state/local option, because the ODT wanted to accomplish "economies of scale." The League responded directly to this argument (discussed below).
Sub-Committee Chairman Rep. Faber then noted that if "simplicity and uniformity" are the goals of the throwback elimination, the throwback elimination language actually makes remittance and collection more difficult and less uniform. He said this is because taxes on sales would be collected at the point of the sale's destination, rather than the point of sale's origin. This involves far more municipalities and requires distinguishing and tracking intra and inter-state sales. Testa responded that taxes from the "throwback" rule would simply be added to the registration of taxes on OBG and he then claimed that the throwback rule "deprived" municipalities of the revenue generated by the sale. The League's position is that taxation at the point of origin makes more sense than at the point of destination, because the entity at the point of origin is likely not using municipal resources related to this transaction, whereas the entity at the point of origin is. Rep Faber responded to Testa's argument by reiterating that the elimination of "throwback" would cause a massive new complication for the business community and expressed surprise that the business community could support such a proposal, as it would create a "complicated mess."

Rep. Butler wanted to know how many municipalities (out of all 600 that levy an income tax) had stepped forward in support of the measure, given the Department's insistence that centralized collection would save them so much money. Testa replied that none had.

Rep. Ardnt wondered how the Department of Taxation would be able to ensure each business was using the proper income tax rate for each municipality. Testa merely said it would be "built into OBG." Rep Ardnt then expressed a concern that businesses would simply use the lowest tax rate for all their filings, since they will not be under the same amount of scrutiny as they currently are with local tax offices. Rep. Arndt then asked how municipalities would be guaranteed the right to audit, noting that the proposal does not address how municipalities will receive the filing information necessary to conduct audits. Testa admitted that there was no such provision. He then alluded to a program ODT had built for county to audit sales taxes (it was later revealed that it's a list of vendor licenses available to counties) and said that ODT would be willing to consider building such a program for municipalities.

Rep. Brigid Kelly said the municipalities in her district were extremely concerned about the proposals and wanted to know if the "listening tour" Testa went on to hear business concerns (where the idea for centralized collection of net profit filings came from) included conversations with municipalities. Testa responded that the position of the municipalities and of OML were already clear to him and that there was no need to talk to them since the Department's purpose is to make Ohio more business friendly. Rep. Kelly pointed out that simply knowing one's position does not preclude the need to include them in the conversation. She then asked how many other states have centralized collection for municipal income tax. Testa said that 17 states have municipal income tax, but he wasn't sure how many had centralized collection. Testa then said that ODT was willing to hear municipalities' proposal and potential amendments to the proposed language - so long as those proposals and amendments aimed to make the state more business-friendly.

Rep. Kelly also pointed out that local tax offices are able to ensure total compliance. For example, some businesses use the wrong formulas and file incorrectly-even file in the wrong municipality-without knowing. Testa claimed that the ODT audit process "was better" and that more compliance meant more revenue for municipalities.

Rep. Patterson then said that every single local official in his district asked him to fight this proposal and that he understood the level of distrust municipalities have for the state due to cuts in other taxes and the Local Government Fund. He said municipalities feel "backed into a corner" and while he understood this proposal came from businesses, he wondered where the input from municipalities was. Testa said he was aware that municipalities were unhappy and that this was pro-business and positive for municipalities - even though they "refused to see it." Rep. Patterson said that municipalities are not actually opposed to a singular form; they are opposed to losing control. Testa responded there was no "evidence" that the money would travel to Columbus and then not return to municipalities. Rep. Patterson pushed back, wanting to know why Testa wanted to benefit businesses as the expense of municipalities. Testa merely reiterated that this measure benefits municipalities.

Rep. Butler asked if there were plans to centrally collect municipal income withholdings. Testa said there is not. Rep. Butler then asked if there were a portal where counties can audit their sales piggyback. Testa said there was no such portal, just the list of vendor licenses. Rep. Butler then asked if counties want such a portal. Testa responded they did not to his knowledge, and if municipalities wanted such a portal, the idea could be "discussed." Rep. Butler then wanted to know how much interest would be generated from holding the revenues and if it would all be distributed back to the municipalities. Testa said he did not know how much would be generated, but that it would be distributed to
municipalities (no such provision exists in the bill language). Rep. Butler then wanted to know what percentage of businesses file in multiple municipalities. Testa did not know.

Rep. Faber wanted to know why there was no proposal to centrally collect withholdings, given that he hears complaints from businesses about the burden of withholding taxes for multiple municipalities. Testa responded that they chose to focus on the issue that impacted businesses the most, while more issues need to be dealt with than are being addressed by the proposal. Marjorie Kruse then pointed out that most businesses have software that calculates multiple municipalities' withholdings. Therefore, most businesses have "outsourced" that issue and it's not as much of a complaint.

Rep. Faber then wanted to know why the Ohio Business Gateway (OBG) was not yet ready to handle current capacity, much less the increased capacity that would be generated by this proposal. Testa began with his usual retort that the Ohio Tax Department is the largest customer of OBG and that they would be the first to know if there was a functionality problem, but then pivoted. He admitted that OBG needs software updates that are not currently being addressed by the updates being made in "OBG 3.0." He specifically referenced the need to enable CPA commercial software to interface with OBG and the need to enable OBG to generate estimated payments. He admitted that OBG "wasn't designed for that kind of functionality." He said in order to enable OBG to centrally collect net profit withholdings, further updates would need to be made to the system - in addition to the updates currently being made and which are months behind on their target completion date.

OML Communications Director Josh Brown then testified against the proposed measures, reiterating the potentially devastating loss of control, the loss of the partnership between local tax offices and tax preparers, and the loss of those same relationships with local businesses. He pointed out that the current system is good for business because, by taxing income, it creates an incentive for municipalities to generate more income and that that can only be done by retaining and attracting jobs. He mentioned that businesses clearly value the relationship and services they receive from their municipalities, as 80% of all businesses had elected to locate in municipalities. He pointed to national awards won by Ohio municipalities that recognize their above-average business-friendly climate. The question, he said, was whether or not members prefer a system of local government or state bureaucracy.

Brown also specifically responded to the Kruse's comments that making OBG mandatory was necessary so that ODT could accomplish "economies of scale." He said this is a term used in economics to explain how businesses can grow, despite reducing the price of a product, by finding efficiencies by producing more of it. Brown went on to say that ODT is not a business but rather a state bureau, so growth of the ODT is not necessarily a desirable goal nor a purported purpose of this legislation. As far as producing efficiency goes, the current tax system is set up to incentivize efficiency, because municipalities pay the administrative fee out of the tax liability itself, i.e., their own revenue. This incentivizes low administrative fees. Local administrative fees are very low and actually many are lower than the ODT's proposed fee of 1%. Further, this "economies of scale" justification is not in keeping with Ohio's local government tradition, that businesses would prefer to retain the option to deal with their local governments to accommodating the ODT's desire to show how efficient they can be, and that this concept benefits the ODT bureaucracy at the expense of businesses and municipalities.

Rep. Kelly asked Brown if municipalities should have been contacted by ODT before the proposal was rolled out in the budget and whether they are willing to partner in the future. Brown responded that municipalities would have loved to have been a part of that conversation, and that the League and its members are "extremely eager" to engage in a dialogue with the proponents of these proposals.

The House Finance Subcommittee on State Government and Agency Review is currently continuing to hear testimony on HB 49.

**HOUSE WAYS AND MEANS COMMITTEE HEARS FROM OHIO BUSINESS GATEWAY ABOUT CURRENT AND FUTURE OPERATIONS**

The House Ways and Means committee met Tuesday to hear testimony from Stu Davis, the Assistant Director of the Ohio Department of Administrative Services and the State Chief Information Officer regarding the Ohio Business Gateway (OBG). After providing a brief history of the Gateway, he explained that of the more than 5 million transactions processed in 2016, 4.3 million of them were the Ohio Department of Taxation, followed by municipal payments, which made up 561,049 transactions. He then discussed the current changes and improvements being made to OBG, including increased
network monitoring and security, increasing capacity demand, adding trend-monitoring tools and improved individual service areas and transactions communications. He chalked up reviews of "sluggish" user response time this past January to an "unbalanced workload" and said the issue had been addressed. After saying the frequent and typically hours-long scheduled outage periods for maintenance are defined and communicated, he asked the Committee remember OBG was 14 years old. He then turned to the current modernization efforts underway.

OBG 3.0 - headed up by the Lt. Governor's office - is said to improve design and flow by creating a cloud-based system. Most notably, the centralized collection of municipal Net Profit business filings, as proposed in the Governor's budget, would be handled by OBG 3.0. Davis said that while this would mean approximately 400,000 Net Profit business filings estimated by the Ohio Department of Taxation that would flow through OBG (OML has learned that OBG only currently process around a tenth of that in Net Profit business filings a year), he was "confident" that "either the existing or the new system has more than enough capacity to handle the increased volume and transactions."

Rep. Henne kicked off the questioning by asking if OBG 3.0 would be able to interface with tax preparer software as this has been a large concern for many CPAs. David responded that this was neither a current nor scheduled function of OBG 3.0, but that he'd be willing to look into it. When Rep. Henne asked for a potential projection date as to when this project could exist, Davis was unable to answer as there are no current plans to make this compatibility feature available. Rep. Rogers continued this trend of thought by saying the CPAs in his district spend thousands of dollars on tax preparing software. He wanted to know why there were no plans to simply make OBG compatible with this commercial tax preparing software so that CPAs would want to use it, rather than making it mandatory without including a primary function CPAs have expressed a desire for. Davis responded that it "takes two to tango" and that OBG committees would have to interface with CPAs in order to make OBG compatible. Rep. Scherer then followed by saying he could "guarantee" that CPAs would love to have their software compatible with OBG.

Rep. Becker wanted to know why municipalities were reporting that 31% of the business days out of the year, they were receiving error messages from OBG (Rep. Scherer later said the figure came from Brecksville testimony given last Tuesday.) While unable to address the specific claim, Davis said he believed it had to do with the "courtesy message" indicating a delay in ACH delivery. Rep. Hambley wanted to know why there are so few Net Profit business filings currently being filed through the OBG. Davis wasn't sure but said he'd try to find out. Rep. Hambley then asked what the total number of filings through the OBG would be if it were not made mandatory? Davis was again unsure but reiterated his confidence in future OBG filing capacity.

Rep. Scherer then asked if, considering it was March and OBG 3.0 must be ready at full capacity by the end of the year, if Davis and those working on OBG were "nervous" and would be more comfortable with an extended deadline. Davis said OBG 3.0 was actually scheduled to launch by October 1 and that they were feeling "confident". Rep. Cera wanted to know why, if OBG was requesting $8 million over two years for improvements, how it could possibly be ready by Oct. 1. Davis replied that OBG operating costs run approximately $4 million a year, and once more expressed full confidence in the Oct. 1 launch. Rep. Cera then wanted to know if OBG planned on asking for more funds for improvements in the Capital bill and what the current appropriation for improvements is. Davis said he'd have to check as OBG is part of a larger appropriation for all Legacy systems. Rep. Scherer expressed concern once more about the Oct. 1 launch, and Davis then proceeded to clarify that the Oct. 1 launch was just the "front end", or the user-experience portion of OBG. He then said that OBG would most likely not be coming back in the future for Capital budget requests as they'd be "too big of an operation" by then.

Rep. Henne then referenced HB 5's attempts at making things more simple for businesses filing municipal income taxes, but that even with OBG, businesses are still forced to file multiple copies of similar or identical paperwork for multiple municipalities as OBG is unable to process bulk document uploads. He asked if multiple document uploads would be a part of OBG 3.0. Davis responded that OBG currently has bulk document filing capacity - despite the fact that multiple people, including CPAs and business owners, testified last week that multiple document filings are not possible on OBG. However, he then said that OBG was dedicated to supporting "all business filing requirements" and could look into new such features going forward. Rep. Henne responded by saying he was not sure how the Legislature could consider entertaining the proposal at this time, as there were no plans for either the installation of interface with CPA commercial software or the question as to whether OBG can process bulk document uploads.

Rep. Barnes asked what the current and projected filing capacities for OGB were. Davis responded that OBG was currently operating at approximately 35% capacity and said that the system could handle more than that but was not
specific. Rep. Barnes expressed concern regarding the "threshold" that seemed to exist, that when crossed, keeps OBG from functioning properly. He wanted to know if OBG had backups for files in case of a disastrous event - Davis said they do - and Barnes then asked the committee be provided with a "schematic flowchart" of OBG operation as a whole, as he does not believe the Legislature should invest in a system it doesn't fully understand.

Rep. Scherer spoke to the concern municipalities have expressed in the 1% administration fee, and the fact that it can increase with the passage of a single bill at any time in the future. He also asked how much revenue was generated by Net Profit filings. Davis did not know (it's approximately $600 million annually) and said that the Ohio Department of Taxation created the 1% administration fee and knows if it is enough. Rep. Scherer then asked in Davis felt OBG is comfortable operating within its current budget. Davis said he was certain it is. Rep. Schaffer then asked about security leaks (Davis said none had happened thus far to his knowledge) and asked in OBG 3.0's transition to the cloud compromised security. Davis said the programs OBG uses to ensure security are Federally-required, have been around for over a decade and are largely used by government entities.

**BWC ANNOUNCES UPCOMING REBATE**

On Monday the Ohio Bureau of Workers Compensation (BWC) announced that it will be offering another rebate to employers, pending approval by the BWC Board of Directors. Public employers are due $92 million (not including school districts) out of about $1.1 billion in rebates overall. Public employers will be calculated for policy year 2015.

**TRANSPORTATION BUDGET HEARINGS CONTINUE**

The Senate Transportation, Commerce and Workforce Committee met this week to hold hearings on HB 26 (the transportation budget) introduced by Representative Rob McColley (R-Napoleon). The League and the Ohio Township Association jointly offered testimony [HERE](#) to make a request that an amendment be made to allow townships and municipalities to levy an additional $5 license plate fee. The bill already includes language to allow counties to do so.

We testified that a majority of municipalities and over 400 townships have already enacted the fees currently permitted under the Ohio Revised Code and that the revenue collected aids these communities in maintaining, repairing and replacing over 73,000 miles of local roads across the state. However, the need for additional funding is still prevalent, and local, elected officials need the ability to enact a local, permissive fee that will help address the funding needed to maintain Ohio's transportation infrastructure.

The League appreciates Delaware City Manager Tom Homan testifying on behalf of our members and in support of the proposal, saying "At a time when costs to maintain these roads is at an all-time high, license fees are one more tool in our tool box to alleviate the strain on our funding," Tom's testimony can be found [HERE](#).

Also testifying was Mid-Ohio Regional Planning Commission (MORPC) who praised the current budget but said more funding is needed for transportation at the local level. The Greater Ohio Policy Center's Manager of Government Affairs Jason Warner testified to the need for more funds for public transit.

Also, this week the House Finance Sub-Committee on Transportation heard testimony from the Ohio Department of Transportation, which was essentially a repeat of their previous testimony. There was continued discussion about public transit in questioning by members.

**BILLS OF MUNICIPAL CONCERN RECEIVING HEARINGS**

The House Government Accountability and Oversight Committee heard testimony on HB 8, which was introduced by Representatives Steve Hambley (R-Brunswick) and Jeff Rezabek (R-Clayton), and would exempt from the Public Records Law certain information concerning a minor that is included in a record related to a traffic accident involving a school vehicle in which the minor was an occupant at the time of the accident. The Committee heard sponsor testimony only.

HB 69, introduced by Representative Bob Cupp (R-Lima) would require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.
Testifying in support was Ben Collins of the Plain Township Board of Trustees in Franklin County. He said that his township has an agreement with the City of New Albany, and that if that agreement did not exist, the Township would need an additional $1 million in taxes to meet the budget needs of emergency services. However, such agreements are not required and that this bill would allow other agreements to be restructured in this way.

HB 103, introduced by Representative Bill Reineke (R-Tiffin) would modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision. The Committee took sponsor testimony. Representative Reineke testified that the bill would streamline the process of ending fiscal emergency.

The bill would:

1) reduce the number of locally appointed members from five to three
2) make permanent the provision to escalate a local government from Fiscal Watch to Fiscal Emergency when they fail to implement their submitted financial recovery plan
3) expand what can be included in the content of a financial recovery plan through the use of funds with self-imposed restrictions (failure to do so would result in enforcement of the 85 percent expenditures rule already in place)
4) grant additional power to the Financial Planning and Supervision Commission, who will be able to approve or disapprove of financial information submitted by the local government, and will be able to compel the production of timely, accurate financial data to the Financial Supervisor (failure to do so would also result in enforcement of the 85% expenditures rule already in place).

HB 103 (above) was also introduced in the Senate as SB 88 by Senator Lou Terhar (R-Green Township). The Senator gave sponsor testimony on SB 88 this week as well, with no substantial differences from the testimony above.

Next, the Senate Government Oversight and Reform Committee heard testimony on a House-passed bill, HB 34, which was introduced by Representative Steve Hambley (R-Brunswick) and Scott Ryan (R-Newark) which would authorize certain state agencies, local governments, and other boards, commissions, and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail. The League continues to work with members to have issue impacting municipalities included in the legislation.

BILL DEALING WITH BUILDING INSPECTOR AUTHORITY INTRODUCED

This week Representative Kristina Roegner (R-Hudson) introduced HB 127 which would permit a general contractor or owner of specified buildings to enter into a contract with a third-party private inspector or a certified building department for building inspection and to make other changes relating to building inspections. The League has spoken with Representative Roegner about the bill and we look forward to continuing the dialogue on issues related to the application of the proposal, if the legislation were to be enacted. We will keep our members aware of future activity related to this legislation.

HOUSE REVISES HOUSE SCHEDULE FOR 2017

The House of Representatives has released a revised House schedule for the first half of 2017, cancelling sessions on Wednesday, April 5 and designating the following dates as "if needed":
- Thursday, March 30
- Thursday, April 27
- Tuesday, June 6
- Tuesday, June 13

COMMITTEE SCHEDULE FOR THE WEEK OF MARCH 19, 2017

Monday, March 20, 2017

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE
HB26** TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

Sixth Hearing, All Testimony, SUBSTITUTE BILL

Tuesday, March 21, 2017

SENATE HEALTH, HUMAN SERVICES AND MEDICAID

SB96 SNAP ELIGIBILITY (COLEY W) Regarding eligibility and benefits under the Supplemental Nutrition Assistance program and the Medicaid program.

First Hearing, Sponsor Testimony

SB99 MEDICAID EXPANSION-NEW ENROLLMENT (COLEY W) To prohibit the Medicaid program from newly enrolling individuals as part of the expansion eligibility group.

First Hearing, Sponsor Testimony

SB71 ADAMH BOARD CONTRACTS (MANNING G) To allow a board of alcohol, drug addiction, and mental health services to authorize its executive director to execute contracts valued at $50,000 or less without the board's prior approval.

First Hearing, Sponsor Testimony

SB80 SNAP REQUIREMENTS (HUFFMAN M) To establish requirements for electronic benefit transfer cards issued under the Supplemental Nutrition Assistance Program.

First Hearing, Sponsor Testimony

SB98 DENTAL THERAPY LICENSING REQUIREMENTS (LEHNER P, THOMAS C) To establish licensing requirements for dental therapists.

First Hearing, Sponsor Testimony

SB55 NURSE-PATIENT RATIOS (SKINDELL M) To establish minimum ratios of direct-care registered nurses to patients in hospitals, to specify rights of registered nurses working in hospitals, and to prohibit retaliatory actions by hospitals against registered nurses.

First Hearing, Sponsor Testimony

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

SB24 CONSUMER INSTALLMENT LOANS (TERHAR L) To create the Ohio Consumer Installment Loan Act.

First Hearing, Sponsor Testimony

HB104 TAX REFUND ON BAD DEBTS (SCHAFFER T) To allow vendors to receive a refund of sales tax remitted for bad debts on private label credit accounts when the debt is charged off as uncollectible by the credit account lender.

First Hearing, Sponsor Testimony

HOUSE WAYS AND MEANS

Committee will take testimony on all tax provisions of HB49.

SB9 AUGUST TAX HOLIDAY (BACON K) To provide for a three-day sales tax "holiday" in August 2017 during which sales of clothing and school supplies are exempt from sales and use taxes.

Second Hearing, Proponent Testimony
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<tr>
<th>Bill</th>
<th>Description</th>
<th>Hearing Details</th>
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<tr>
<td><strong>HB116</strong></td>
<td>TAX EXEMPTION-GLASSES AND CONTACTS (MERRIN D) To exempt prescription eyeglasses, contact lenses, and other optical aids sold by licensed dispensers from sales and use tax.</td>
<td>First Hearing, Sponsor Testimony</td>
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<tr>
<td><strong>HB118</strong></td>
<td>TAX COMPLAINT DISMISSAL (MERRIN D) To expressly prohibit the dismissal of a property tax complaint for failure to correctly identify the property owner.</td>
<td>First Hearing, Sponsor Testimony</td>
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<tr>
<td><strong>HB49</strong></td>
<td>OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.</td>
<td>Sixth Hearing, All Testimony</td>
</tr>
<tr>
<td><strong>HB1</strong></td>
<td>PROTECTING DOMESTIC VIOLENCE VICTIMS (SYKES E, MANNING N) To authorize the issuance of dating violence protection orders with respect to conduct directed at a petitioner alleging dating violence, to provide access to domestic violence shelters for victims of dating violence, and to require the Attorney General's victim's bill of rights pamphlet to include a notice that a petitioner alleging dating violence has the right to petition for a civil protection order.</td>
<td>First Hearing, Sponsor Testimony</td>
</tr>
<tr>
<td><strong>SB66</strong></td>
<td>SENTENCING MODIFICATION-REHABILITATION (EKLUND J, TAVARES C) To modify criminal sentencing and corrections law by including rehabilitation as a purpose of felony sentencing, removing the one-year minimum for presumptive fourth or fifth degree felony community control sanctions, modifying sanctions for a violation of a community control condition, modifying the manner of calculating confinement credits, modifying eligibility criteria and procedures for granting intervention in lieu of conviction, making offenders convicted of certain multiple fourth or fifth degree felonies eligible for conviction record sealing, revising procedures</td>
<td>First Hearing, Sponsor Testimony</td>
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<tr>
<td><strong>SB43</strong></td>
<td>TOWNSHIP BUILDING CODES (BACON K) To enable limited home rule townships to adopt building codes regardless of any similar codes adopted by the county in which the township resides.</td>
<td>Second Hearing, Proponent Testimony</td>
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<tr>
<td><strong>SB86</strong></td>
<td>DAY DESIGNATION-MISSING CHILDREN (HACKETT R) To designate the twenty-fifth day of May as &quot;Ohio National Missing Children's Day.&quot;</td>
<td>First Hearing, Sponsor Testimony</td>
</tr>
<tr>
<td><strong>SB60</strong></td>
<td>LAW ENFORCEMENT DRONE USE (SKINDELL M, JORDAN K) To regulate the use of drones for gathering evidence and information by law enforcement officers in Ohio.</td>
<td>First Hearing, Sponsor Testimony</td>
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<tr>
<td><strong>SB59</strong></td>
<td>DAY DESIGNATION-MOSES WALKER (LELAND D, WEST T) To designate October 7 as &quot;Moses Fleetwood Walker Day.&quot;</td>
<td>First Hearing, Sponsor Testimony</td>
</tr>
<tr>
<td><strong>SB40</strong></td>
<td>OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.</td>
<td>Sixth Hearing, All Testimony</td>
</tr>
<tr>
<td><strong>HB26</strong></td>
<td>TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.</td>
<td>Seventh Hearing, All Testimony</td>
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**SENATE TRANSPORTATION, COMMERCE AND WORKFORCE**

Tue., Mar. 21, 2017, 9:00 AM, Senate Finance Hearing Room
Sen. LaRose: 614-466-4823

**SENATE LOCAL GOVERNMENT, PUBLIC SAFETY AND VETERANS AFFAIRS**

Tue., Mar. 21, 2017, 9:45 AM, South Hearing Room
Sen. Uecker: 614-466-8082

**SENATE JUDICIARY**

Tue., Mar. 21, 2017, 10:15 AM, North Hearing Room
Sen. Bacon: 614-466-8064
for the Adult Parole Authority to grant a final release or terminate post-release control, and modifying the criteria for considering a prison term sanction for a post-release control violation.

**Second Hearing, Proponent Testimony**

**SB1** DRUG LAWS (LAROSE F) To increase penalties for drug trafficking violations, drug possession violations, and aggravated funding of drug trafficking when the drug involved in the offense is a fentanyl-related compound, to revise the manner of determining sentence for certain violations of the offense of permitting drug abuse, and to add lisdexamfetamine to the list of schedule II controlled substances.

**Sixth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE**

**SB20** PERMANENTLY DISABLING CRIME SPECIFICATION (HACKETT R) To require an additional prison term of 3 to 8 years for an offender who is convicted of or pleads guilty to a felony offense of violence if the offender is convicted of or pleads guilty to a specification that the victim suffered permanent disabling harm.

**Fifth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE**

**SB32** CRIMINAL TRIAL PROCESS (EKLUND J) To provide a prosecutor an additional fourteen days to commence a trial after a person charged with a felony has been discharged because the person has not been brought to trial within the required amount of time and to authorize the court to release the person from detention in connection with those charges pending trial.

**Fifth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE**

**SB33** LEADS DISCLOSURE (EKLUND J) To allow disclosure of information from the law enforcement automated data system (LEADS) to a defendant in a traffic or criminal case.

**Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE**

**HOUSE RULES AND REFERENCE**

Tue., Mar. 21, 2017, 10:45 AM, Hearing Room 119

**OHIO HOUSE OF REPRESENTATIVES**

Tue., Mar. 21, 2017, 11:00 AM, House Chambers
Brad Young, Clerk: 614-466-3357

CANCELLED

**SENATE RULES AND REFERENCE COMMITTEE**

Tue., Mar. 21, 2017, 11:00 AM, Senate Majority Conference Room
Sen. Obhof: 614-466-7505

CANCELLED

**HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE**

Tue., Mar. 21, 2017, 1:00 PM, Hearing Room 017
Rep. Faber: 614-466-6344

Testimony from the following:
- Ohio Department of Taxation
- Public testimony

**HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

**Eleventh Hearing, All Testimony**

**OHIO SENATE**

Tue., Mar. 21, 2017, 1:30 PM, Senate Chambers
Vincent Keeran, Clerk: 614-466-4900

CANCELLED
HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Tue., Mar. 21, 2017, 1:30 PM, Hearing Room 311

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
Seventh Hearing, All Testimony

HOUSE PUBLIC UTILITIES
Tue., Mar. 21, 2017, 3:00 PM, Hearing Room 116
Rep. Seitz: 614-466-8258

HB114** RENEWABLE ENERGY STANDARDS (BLESSING III L) To revise the provisions governing renewable energy, energy efficiency, and peak demand reduction and to alter funding allocations under the Home Energy Assistance Program.
Second Hearing, All Testimony

HOUSE EDUCATION AND CAREER READINESS
Tue., Mar. 21, 2017, 4:00 PM, Hearing Room 121
Agenda includes presentation by State Superintendent of Education Paolo DeMaria.

HB108 INFORMED STUDENT DOCUMENT ACT (HAGAN C, MCCOLLEY R) To require one-half unit of financial literacy in the high school curriculum, to require the Chancellor of Higher Education to prepare an informed student document for each institution of higher education, to require the State Board of Education to include information on the informed student document in the standards and model curricula it creates for financial literacy and entrepreneurship, and to entitle the act the "Informed Student Document Act."
First Hearing, Sponsor Testimony

HOUSE FEDERALISM AND INTERSTATE RELATIONS
Tue., Mar. 21, 2017, 4:00 PM, Hearing Room 115

HCR4 ELIMINATE E-CHECK REQUIREMENT (YOUNG R) To urge Congress to amend the Federal Clean Air Act to eliminate the requirement to implement the E-Check Program, to urge the Administrator of USEPA to alleviate burdensome requirements of the E-Check Program and the Clean Air Act if Congress fails to act, and to encourage OEPA to explore alternatives to E-Check.
First Hearing, Sponsor Testimony, SUBSTITUTE BILL

HJR2 CONVENTION OF STATES APPLICATION (HAGAN C, PATMON B) Application to the Congress of the United States for a Convention of the States under Article V of the Constitution of the United States that is limited to proposing amendments that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and Members of Congress.
Third Hearing, Opponent Testimony

Wednesday, March 22, 2017

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Wed., Mar. 22, 2017, 9:00 AM, Hearing Room 311

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
Eighth Hearing, All Testimony

HOUSE HEALTH
HB111 REGISTERED NURSES-MENTAL HEALTH (CARFAGNA R, RYAN S) To authorize certain advanced practice registered nurses to have a person involuntarily transported to a hospital for a mental health examination.

First Hearing, All Testimony, POSSIBLE VOTE

HB73 PROHIBIT DEXTROMETHORPHAN SALE (REZABEK J, KOEHLER K) To prohibit sales of dextromethorphan without a prescription to persons under age 18.

Second Hearing, All Testimony, POSSIBLE VOTE

HB72 STEP THERAPY PROTOCOLS (JOHNSON T, ANTONIO N) To adopt requirements related to step therapy protocols implemented by health plan issuers and the Department of Medicaid.

Second Hearing, Proponent & Opponent Testimony

HB101 EPINEPHRINE ACCESSIBILITY ACT (MERRIN D) To authorize an epinephrine autoinjector substitution when a prescription is filled or refilled, to authorize epinephrine to be dispensed without a prescription under a physician-established protocol, and to declare the act the “Epinephrine Accessibility Act.”

Second Hearing, Proponent & Opponent Testimony

HOUSE WAYS AND MEANS

Wed., Mar. 22, 2017, 9:00 AM, Hearing Room 116
Rep. Schaffer: 614-466-8100

Committee will reconvene at 7 p.m. for additional public testimony on tax provisions of HB49.

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Seventh Hearing, All Testimony
Report(s): My Tracked Bills, OML Legislative Report

HB105** OIL AND GAS FUNDING LIMIT (CERA J, HILL B) To limit the amount of revenue that may be credited to the Oil and Gas Well Fund and to allocate funds in excess of that amount to local governments, fire departments, and a grant program to encourage compressed natural gas as a motor vehicle fuel.

First Hearing, Sponsor Testimony
Report(s): My Tracked Bills, OML Legislative Report

HB24 VETERANS ORGANIZATIONS-TAX EXEMPTION (GINTER T) To modify the existing tax exemption for veterans organizations' property to include property of certain veterans organizations exempt from federal taxation under section 501(c)(4) of the Internal Revenue Code and to exclude property that is not used primarily for meetings, administration, and the provision of programs and services to past and present members of the United States armed forces.

First Hearing, Sponsor Testimony

SENATE GOVERNMENT OVERSIGHT AND REFORM

Wed., Mar. 22, 2017, 10:00 AM, North Hearing Room
Sen. Coley: 614-466-8072

SB88** SUBDIVISION COMMISSIONS-FISCAL EMERGENCY (TERHAR L) To modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision.

Second Hearing, Proponent Testimony
Report(s): My Tracked Bills, OML Legislative Report

HB34** OFFICIAL NOTICE DELIVERY (HAMBLEY S, RYAN S) To authorize certain state agencies, local governments, and other boards, commissions, and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail.

Second Hearing, Proponent Testimony
Report(s): My Tracked Bills, OML Legislative Report

SB54 SUMMER FOOD PROGRAMS (BROWN E, LEHNER P) To require school districts to allow approved summer food service program sponsors to use school facilities to provide food service for summer intervention services under certain conditions.
CONVENTION OF STATES APPLICATION (HUFFMAN M) Application to the Congress of the United States for a Convention of the States under Article V of the Constitution of the United States that is limited to proposing amendments that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and Members of Congress.

DAY DESIGNATION-HARRISON DILLARD (YUKO K) To designate July 8 as "Harrison Dillard Day."

CASINO GAMBLING EMPLOYEES (SEITZ B) To specify that the criminal penalty related to casino operators and employees participating in casino gaming applies at their casino facility or an affiliated casino facility.

To designate July 8 as "Harrison Dillard Day."

To specify that the criminal penalty related to casino operators and employees participating in casino gaming applies at their casino facility or an affiliated casino facility.

TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Governor's appointments:
- Kara Morgan to the State Board of Education
OPPORTUNITY SCHOLARSHIP PROGRAM CREATION (HUFFMAN M) To eliminate the Educational Choice Scholarship Pilot Program and Pilot Project Scholarship Program and to create the Opportunity Scholarship Program.

First Hearing, Sponsor Testimony

SCHOOL ABSENCES-PARENTAL NOTIFICATION (WILLIAMS S, LEHNER P) To require a public school to place a telephone call within one hour of the start of the school day to a parent whose child is absent without legitimate excuse.

First Hearing, Sponsor Testimony

Thursday, March 23, 2017

OHIO RETIREMENT STUDY COUNCIL
Thu., Mar. 23, 2017, 10:00 AM, TBA
Bethany Rhodes: 614-228-1346
CANCELLED

HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE
Thu., Mar. 23, 2017, 10:00 AM, Hearing Room 122
Rep. Faber: 614-466-6344

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Thirteenth Hearing, All Testimony

Thursday, April 13, 2017

OHIO RETIREMENT STUDY COUNCIL
Thu., Apr. 13, 2017, 9:00 AM, TBA
Bethany Rhodes, Director: 614-228-1346

PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE COMMITTEE SCHEDULE
March 10, 2017

The General Assembly continued to plow through hearings on budget related matters, taking testimony from dozens of state agencies through multiple committees. Meanwhile, early in the week the League was largely occupied with testimony before the House Ways and Means Committee concerning budget sections related to the municipal income tax (discussed in more detail below). We are very thankful to have had dozens of municipal officials arrive at the Committee and give very constructive testimony opposing these proposals—not to mention the dozens of other cities and villages that have passed resolutions on this subject. Our united front is strong and legislators are taking notice, so please keep the support coming.

**HOUSE WAYS & MEANS COMMITTEE HOLDS HEARING FOR PUBLIC TESTIMONY ON MUNI TAX CENTRALIZATION AND “THROWBACK” RULE ELIMINATION**

This week, the House Ways and Means Committee continued to unpack the different tax policy proposals included in HB49, the Governor’s blueprint for the next two-year state operating budget. The committee held two hearings this week and received testimony on the proposed changes to the personal income tax, Commercial Activity (CAT) tax, and the municipal income tax language including the central collection of municipal net profit taxes and elimination of the “throwback” rule. The second hearing was an opportunity for the state Tax Commissioner to return to the committee so that members could continue the dialogue from the previous week through questions that remained but had been limited by time constraints.

The League is grateful for the large number of municipal officials from across the state who joined us at the Statehouse Tuesday for what turned out to be an all-day hearing for those concerned or supportive of the language currently in the budget effecting tax policy. So many gave their personal testimony to the committee, and the “spill-over” room designated to accommodate those who came to listen to the testimony but couldn’t fit into the actual committee room, was packed with concerned city and village officials there to show their support of the efforts to remove the language from the bill.

The League also wants to express our sincere appreciation to Chairman Schaffer, Vice-Chair Scherer and Ranking Minority Member Rogers for making sure that all of the witnesses who traveled to Columbus to present testimony were given an opportunity to do so. We also greatly appreciate so many of the committee members who stayed in the committee throughout the day to receive the important information provided by Ohio’s municipal leaders. As always, the municipal officials were treated with respect and courtesy, and we greatly appreciate the leadership shown.

Tuesday’s hearing saw over 30 witnesses and nearly 7 straight hours of testimony on the changes to the municipal income tax. The actual testimony presented is available on the committee’s website, [http://www.ohiohouse.gov/committee/ways-and-means](http://www.ohiohouse.gov/committee/ways-and-means) and can accessed under the March 07, 2017 Hearing banner.

Roughly, six hours of the testimony offered was in opposition to the governor’s designs to significantly alter the integrity of the municipal income tax, with 23 standing in opposition, 2 offering proponent testimony and 3 offering interested party testimony. OML Executive Director Kent Scarrett testified not only as to the real potential for finance distress as a result of the state centrally collecting municipal revenues and the elimination of the “throwback” rule would cause, but he challenged assertions that the current municipal tax structure in Ohio was not “business-friendly” and further contested the notion that centralized collection is somehow “pro-business.” His testimony can be found [HERE](http://www.ohiohouse.gov/committee/ways-and-means).

Through his testimony and questions that followed, Director Scarrett cited the fact, among other things, that Ohio was lauded as number 2 in the nation for the most attractive economic development environment for new businesses to locate by Site Selection magazine, and that multiple Ohio municipalities – including Cincinnati, Columbus, Dayton, Toledo, Findlay, Wooster, Celina, Defiance and Portsmouth – have been recognized nationally for “conditions business
expansions value.” If 80% of businesses in Ohio have elected to locate in municipalities, it seems safe to say Ohio municipalities offer some of the most business-friendly conditions in the nation.

In addition to testimony provided by the League, municipal officials from across Ohio, business owners, tax preparers and local tax administrators turned out in force, detailing for the committee the many reasons why these provisions would not only devastate the financial structure of municipalities across Ohio, but would hobble tax preparers and businesses alike. Each came before the committee with his or her personal story. Some had data proving the loss of “throwback” revenue with further financially cripple their city or village. Some (including an experienced, reputable CPA) shared their horror stories of trying to use the currently struggling Ohio Business Gateway. Some explained how their municipality charges less than 1% for the administration of both net profit filings and withholdings, and how the proposed 1% administration fee for just net profit business filings would mean a further loss of revenue. Tax preparers shared how they depend of their personal relationships with local tax administrators to provide efficient, accurate services to their clients.

Not a single business owner spoke to the supposedly desperate need for uniform administration of net profit business filings.

The message of the members of the Ways and Means Committee was abundantly clear: centralized collection and the elimination of the “throwback” rule is bad for businesses, bad for municipalities, and bad for the state of Ohio. Many of the municipal officials shared with committee members that although the OBG is currently challenged and has been underfunded for years, the system currently serves as a central portal for businesses to make net profit filings and remittance of tax due. The reinvestment that is underway by the administration to rebuild the functionality of the portal will offer greater ease for business filers to complete filings and will not require the state interfering in the administration of municipal revenues.

On Thursday, Commissioner Testa was asked to return to the committee from his previous week’s presentation, in order to answer more questions while addressing the chorus of opposition from earlier in the week. For three hours, the Tax Commissioner fielded questions from members of the Ways and Means Committee; a clear indication they had heard loud and clear the message sent by Tuesday’s barrage of opposition. Before answering questions, Testa addressed issues raised by Tuesday’s testimony. He rehashed the Ohio Business Gateway’s reliability (despite conceding previously that it does not function as desired), reiterated the claim that municipalities will save millions of dollars (although it was revealed later during questioning that this claim is based on inaccurate data as many municipalities do not differentiate between administrative fees for filing net profits and withholdings separately on audits), and claimed that since Article 18 Section 13 of the Ohio Constitution says laws may be passed to limit the power of municipalities to levy taxes, the proposal does not violate the municipalities’ Constitutional rights. He did not address rulings from the Ohio Supreme Court that decreed the levy and collection authorities to municipalities fall under Home Rule authorities and are related to municipal policing powers.

Legislators pressed Testa as to why, if businesses can already elect to use the Ohio Business Gateway, is it necessary to mandate its use – especially when several tax preparers spoke to its extreme and concerning flaws. They wanted to know if ODT was at all concerned about the loss of jobs in local tax offices. When Vice-Chair Scherer (R – Circleville) spoke with concern that the proposal moves net profit business filings out of Title 7 in the Ohio Revised Code and into Title 57, making the money a state asset, Testa seemed unfamiliar with the change and brushed it off, claiming that it “didn’t seem important” and that there “may be some other legal precedent” for the change. When asked by Rep. Green (R – Mt. Orab) what ODT would do if this proposal passed and OBG was still unable to handle the capacity, the response of ODT was that the state would administer the tax through “paper filings.”

The League has always pledged to work with the state and other parties that seek changes to the municipal income tax and have reached out to the Administration numerous times to try and facilitate a meeting to discuss municipal tax issues. On Monday, the League held a meeting with representatives of the Ohio Society of CPA’s, the Ohio Chamber of Commerce, NFIB, approximately half a dozen municipal tax administrators from around the state including representatives of CCA and RITA and Rep. Gary Scherer, Vice-Chair of the H. Ways & Means committee to discuss municipal tax concerns and areas that need further discussion as we look at how HB5 is or isn’t working. We believe the meeting went very well with great dialogue among all those in attendance and is hopefully a path forward for the interested parties in the conversation to reach common ground and have real solutions beneficial to municipalities and the clients we serve. We will continue our efforts to communicate and educate policy leaders on solutions to all municipal administrative challenges.
OEPA PROPOSES REVISIONS TO LEAD AND COPPER RULES

The Ohio Environmental Protection Agency (OEPA) has released proposed revisions to the lead and copper rules and regulations that may have a significant impact of municipal water systems. The League asks that our members review this information carefully through the link below to determine any exposure your community may have.

Several provisions include:

- A requirement to provide water filters for three months when replacement of water mains is undertaken.
- A potential move of reduced sampling (every three years) to annual sampling for lead and copper even if the area is well below the action level for its 90th percentile.
- A requirement to provide notice within 24 hours of a water main break to the “impacted area” that the water quality change could result in higher lead levels (even if the break is on ductile iron main with copper services or plastic main with plastic services).

To review all of the proposals, please visit [http://www.epa.state.oh.us/ddagw/rules.aspx#lac](http://www.epa.state.oh.us/ddagw/rules.aspx#lac). For those municipal officials interested in submitting comments concerning this proposed revision, the comment period will end Friday, March 17th.

BILLS OF MUNICIPAL CONCERN RECEIVE HEARINGS

Again, this week, the legislature continued their review of bills that would have a direct impact of Ohio cities and villages.

- **HB 26**, the Transportation Budget, introduced by Representative Rob McColley (R-Napoleon). The Senate Transportation, Commerce and Workforce Committee heard testimony from multiple interested parties concerning various provisions in the bill. Testimony was taken in support of an increase of state vehicle weight limits for rotator towing vehicles, to accommodate new, heavy-duty towing rotator vehicles with weights approaching 80,000 lbs. Other testimony was offered to support more money for public transit and passenger rail. Most of this testimony was a repeat of testimony offered in the House on this subject. The County Engineers Association of Ohio offered testimony, about the shortfalls in their budgets, the resulting conditions of bridges throughout the state, and other topics. The League continues to speak with members of the Ohio Senate about increasing permissive local fees and other sources of additional revenue to help with the increasing transportation challenges of Ohio municipalities.

- **HB 54**, introduced by Representative Lou Blessing, III (R-Colerain Township) which would authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public entities for their acquisition of permanent improvements through the Treasurer of State’s purchase of public obligations of those qualifying entities. The bill passed the Ohio House 93-1 and was supported by the League because it is an optional tool available to municipalities to strengthen bond-issuing capacity.

- **HB 19**, introduced by Representatives Lou Blessing, III (R-Colerain Township) and Al Landis (R-Dover), as proposed would expand the definition of arson to include recklessly causing, by means of fire or explosion, physical harm to the offender's or another person's motor vehicle, house, building, or other structure, or to any other property of another person, while manufacturing or attempting to manufacture a controlled substance, as a violation of the offense of arson. This legislation is intended to help address proliferation of meth labs throughout the state.
• HB 38, introduced by Representative Dave Greenspan (R-Westlake) would provide that purposely causing the death of a first responder or military member is aggravated murder and to require an offender to serve the prison term imposed for felonious assault on a peace officer, investigator, first responder, or military member consecutively to the prison term imposed for any related offense. Proponent testimony was offered by a long list of public safety and veteran associations.

• HB 44, introduced by Representative Bill Patmon (D-Cleveland) would designate May 24th as “First Responders Appreciation Day.” Representative Patmon and his grandson testified that the bill would be a welcomed opportunity to show additional support and recognition to our first responders.

• HB 69, introduced by Representative Bob Cupp (R-Lima) would require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district. Representative Cupp said, the bill "will assist townships that provide fire, emergency medical and ambulance services to both the township and to a municipal corporation located within the township that does not provide its own fire, emergency medical or rescue services." The bill modifies an existing Tax Incremental Financing (TIF) law "to add township fire, emergency medical and ambulance levies to the list of special-special purpose levies from which revenue may not be diverted by a TIF. Under the bill, "townships would have the option of collecting the reimbursement, waiving it, or negotiating a partial reimbursement." The sponsor indicated that current TIFs would not be affected.

• SB 33, introduced by Senator John Eklund (R-Munson Township) would allow disclosure of information from the law enforcement automated data system (LEADS) to a defendant in a traffic or criminal case. There were no witnesses but it was announced that some amendments may be expected next week to address some issues brought up by the Ohio State Highway Patrol.

• SB 7, introduced by Senators Kevin Bacon (R-Minerva Park) and Gayle Manning (R-North Ridgeville) would provide that service of a protection order or consent agreement upon a person is not necessary for the person to be convicted of the offense of violating a protection order if the person had actual notice of the order or agreement and the person recklessly violated its terms. Anne Murray, an Assistant City Prosecutor with Columbus City Attorney Richard Pfeiffer's office, provided proponent testimony.

• SB 37, introduced by Senator Cliff Hite (R-Findlay) would require the Ohio Peace Officer Training Commission to develop and conduct a chief of police training course for newly appointed village, city, and township chiefs of police. The sponsor shared with committee members that the bill does not require current police chiefs to take the training, only new ones going forward. He also said that equivalent training from other sources could satisfy the requirement. The Committee voted the bill out unanimously.

**HOUSE HEARS TESTIMONY ON WORKERS COMPENSATION BUDGET**

The House Insurance Committee took testimony this week on HB 27, the Workers Compensation Budget, which was introduced by Representative Tom Brinkman (R-Mt. Lookout). The Committee mainly discussed a proposal to allow the BWC to dismiss C-92 applications once the employee has not responded to multiple attempts by the BWC to set up an examination. Currently, there is no way to dismiss these claims except upon the death of the claimant. There is a backlog of nearly 20,000 such claims where the claimant has missed scheduled examinations and has been contacted over 3 times.

The BWC’s proposed language says, "If an employee fails to respond to an attempt to schedule a medical examination by the bureau medical section, or fails to attend a medical examination scheduled under this section without notice or explanation, the employee's application for a finding shall be dismissed without prejudice. The employee may refile the application. A dismissed application does not toll the continuing jurisdiction of the industrial commission under section 4123.52 of the Revised Code." The League submitted testimony in favor of the bill, and included a specific mention of support for the BWC’s proposal for dismissing C-92’s.
Testimony was taken from Philip Fulton on behalf of the Ohio Association for Justice and the Ohio Association of Claimants' Counsel, who testified against this section. Fulton offered extensive testimony about the legal ramifications regarding this proposal.

**OML ANNOUNCES EXCLUSIVE ENDORSEMENT WITH THE PUBLIC ENTITIES POOL (PEP) OF OHIO**

The League and the Public Entities Pool of Ohio (PEP) are proud to announce a new endorsement relationship. This new exclusive endorsement from the OML comes as PEP celebrates its 30th year in providing unparalleled coverage and services to its members.

PEP is a public entity group self-insurance program that prides itself on providing broad coverage, innovative risk solutions, and skilled claims handling and litigation management, while continually offering stable rates. As a result, PEP is well-established and well-regarded in Ohio, making PEP the best risk-management sharing choice for the OML.

PEP Chairman, Wayne Barfels, lauded the new agreement with the OML, stating “the potential of this endorsement of PEP by the OML is huge and in my opinion will have a very positive impact for both organizations. We look forward to a strong working relationship between PEP and the OML.”

This new agreement with the PEP pool is a big step forward in the efforts of the League to expand our ability to meet the growing needs of our members. PEP and the OML share a common focus on serving members and we are excited about this new chapter in our association.

**STATE OF THE STATE TICKETS AVAILABLE THROUGH LOTTERY**

The Governor’s office announced this week that a public lottery will be held for State of the State tickets. Those wishing to enter the lottery can do so online at: www.governor.ohio.gov. The event will be held at the Sandusky State Theatre at 7 p.m. on Tuesday April 4.

**COMMITTEE SCHEDULE FOR THE WEEK OF MARCH 13, 2017**

**Monday, March 13, 2017**

**CONTROLLING BOARD**

Mon., Mar. 13, 2017, 1:30 PM, North Hearing Room

Christine Morrison: 614-466-5721

**Tuesday, March 14, 2017**

**HOUSE FINANCE HEALTH AND HUMAN SERVICES SUBCOMMITTEE**

Tue., Mar. 14, 2017, 9:00 AM, Hearing Room 313

Committee will take public testimony on the following topics:
- Medicaid
- Mental health and addiction services

**HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Eighth Hearing, All Testimony

**SENATE TRANSPORTATION, COMMERCE AND WORKFORCE**

Tue., Mar. 14, 2017, 9:00 AM, Senate Finance Hearing Room

Sen. LaRose: 614-466-4823

**SB3** WORKFORCE DEVELOPMENT (BEAGLE B, BALDERSON T) To revise the laws governing the state's workforce development system, programs that may be offered by primary and secondary schools, certificates of qualification for employment, and the Opportunities for Ohioans with Disabilities Agency, and to designate the first week of May as In-Demand Jobs Week.

Second Hearing, Proponent Testimony

**SB6** OHIO BRIDGE PARTNERSHIP PROGRAM (HOAGLAND F) To extend the Ohio Bridge Partnership Program through the end of fiscal year 2019 and to require the Director of Transportation to submit a report to the Governor, Senate, and House of Representatives recommending ways to continue to fund the program.

Second Hearing, Proponent Testimony

Report(s): My Tracked Bills, OML Legislative Report

**HB26** TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

Fourth Hearing, All Testimony

**SENATE JUDICIARY**

Tue., Mar. 14, 2017, 10:15 AM, North Hearing Room

Sen. Bacon: 614-466-8064

**SB67** VIOLENT OFFENDER REGISTRY (GARDNER R, HITE C) To require the Attorney General to establish a violent offender registry and to name this act "Sierah's Law."

Second Hearing, Proponent Testimony
DRUG LAWS (LAROSE F) To increase penalties for drug trafficking violations, drug possession violations, and aggravated funding of drug trafficking when the drug involved in the offense is a fentanyl-related compound, to revise the manner of determining sentence for certain violations of the offense of permitting drug abuse, and to add lisdexamfetamine to the list of schedule II controlled substances.

Fifth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

PERMANENTLY DISABLING CRIME SPECIFICATION (HACKETT R) To require an additional prison term of 3 to 8 years for an offender who is convicted of or pleads guilty to a felony offense of violence if the offender is convicted of or pleads guilty to a specification that the victim suffered permanent disabling harm.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

CRIMINAL TRIAL PROCESS (EKLUND J) To provide a prosecutor an additional fourteen days to commence a trial after a person charged with a felony has been discharged because the person has not been brought to trial within the required amount of time and to authorize the court to release the person from detention in connection with those charges pending trial.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

CRIMINAL TRESPASS-POSTING NOTICE (COLEY W) To amend the law governing criminal trespass to specify that placing purple paint marks on trees or posts constitutes posting notice in a manner reasonably calculated to come to the attention of potential intruders.

First Hearing, Sponsor Testimony

OHIO HOUSE

Tue., Mar. 14, 2017, 11:00 AM, House Chambers

CANCELLED

SENATE RULES AND REFERENCE COMMITTEE

Tue., Mar. 14, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

CANCELLED

HOUSE RULES AND REFERENCE

Tue., Mar. 14, 2017, 11:30 AM, Hearing Room 119


HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE

Tue., Mar. 14, 2017, 12:30 PM, Hearing Room 017
Rep. Faber: 614-466-6344

Testimony from the following:
- Department of Taxation
- Public testimony

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Ninth Hearing, All Testimony

OHIO SENATE
Tue., Mar. 14, 2017, 1:30 PM, Senate Chambers

CANCELLED

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Tue., Mar. 14, 2017, 1:30 PM, Hearing Room 122


Testimony from the following:
- Department of Rehabilitation and Correction
- Department of Youth Services

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Fifth Hearing, Invited Testimony

HOUSE PUBLIC UTILITIES
Tue., Mar. 14, 2017, 3:00 PM, Hearing Room 116

Rep. Seitz: 614-466-8258

Committee will hear presentations from Public Utilities Commission of Ohio and Ohio Consumers' Counsel.

RENEWABLE ENERGY STANDARDS (BLESSING III L) To revise the provisions governing renewable
HB114** energy, energy efficiency, and peak demand reduction and to alter funding allocations under the Home Energy Assistance Program.

First Hearing, Sponsor Testimony, PENDING REFERRAL
SENATE HEALTH, HUMAN SERVICES AND MEDICAID

Tue., Mar. 14, 2017, 3:15 PM, South Hearing Room

Sen. Burke: 614-466-8049

SB71 ADAMH BOARD CONTRACTS (MANNING G) To allow a board of alcohol, drug addiction, and mental health services to authorize its executive director to execute contracts valued at $50,000 or less without the board's prior approval.

First Hearing, Sponsor Testimony

SB80 SNAP REQUIREMENTS (HUFFMAN M) To establish requirements for electronic benefit transfer cards issued under the Supplemental Nutrition Assistance Program.

First Hearing, Sponsor Testimony

SB16 HEALTH CARE CULTURE COMPETENCY (TAVARES C) To require certain health care professionals to complete instruction in cultural competency.

Second Hearing, Proponent Testimony

HOUSE EDUCATION AND CAREER READINESS

Tue., Mar. 14, 2017, 4:00 PM, Hearing Room 121


HB98 CAREER INFORMATION FOR STUDENTS (DUFFEY M, BOGGS K) Regarding the presentation of career information to students.

First Hearing, Sponsor Testimony

HB80 SCHOOL FOOD-SUMMER INTERVENTION (LATOURETTE S, SMITH K) To require school districts to allow approved summer food service program sponsors to use school facilities to provide food service for summer intervention services under certain conditions.

Second Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

Wednesday, March 15, 2017

HOUSE FINANCE AGRICULTURE, DEVELOPMENT AND NATURAL RESOURCES SUBCOMMITTEE

Wed., Mar. 15, 2017, 9:00 AM, Hearing Room 018

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Ninth Hearing, All Testimony

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE

Wed., Mar. 15, 2017, 9:00 AM, Hearing Room 311


Testimony from the following:
- Court of Claims
- Public Defender
- Ohio Department of Transportation

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Sixth Hearing, Invited Testimony

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE

Wed., Mar. 15, 2017, 9:00 AM, South Hearing Room

Sen. LaRose: 614-466-4823

TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

Fifth Hearing, All Testimony

SENATE GOVERNMENT OVERSIGHT AND REFORM

Wed., Mar. 15, 2017, 9:45 AM, Senate Finance Hearing Room

Sen. Coley: 614-466-8072

CONVENTION OF STATES APPLICATION (HUFFMAN M) Application to the Congress of the United States for a Convention of the States under Article V of the Constitution of the United States that is limited to proposing amendments that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and Members of Congress.
Third Hearing, All Testimony, POSSIBLE VOTE

**SB62**  
DAY DESIGNATION-HARRISON DILLARD (YUKO K) To designate July 8 as "Harrison Dillard Day."

Third Hearing, All Testimony, POSSIBLE VOTE

**HB32**  
CASINO GAMBLING EMPLOYEES (SEITZ B) To specify that the criminal penalty related to casino operators and employees participating in casino gaming applies at their casino facility or an affiliated casino facility.

Third Hearing, All Testimony, POSSIBLE VOTE

**HB34**  
OFFICIAL NOTICE DELIVERY (HAMBLEY S, RYAN S) To authorize certain state agencies, local governments, and other boards, commissions, and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail.

First Hearing, Sponsor Testimony

**SB88**  
SUBDIVISION COMMISSIONS-FISCAL EMERGENCY (TERHAR L) To modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision.

First Hearing, Sponsor Testimony

**SB79**  
STATE DEPARTMENTAL REVIEW SCHEDULE (JORDAN K) To require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet, and to require that Auditor of State performance audits be scheduled to coincide with the periodic review.

First Hearing, Sponsor Testimony

HOUSE HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

Wed., Mar. 15, 2017, 11:00 AM, Hearing Room 115


Presentation from Legislative Service Commission on higher education.

SENATE RULES AND REFERENCE COMMITTEE

Wed., Mar. 15, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

OHIO SENATE

Wed., Mar. 15, 2017, 1:30 PM, Senate Chambers

OHIO HOUSE
HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE

Wed., Mar. 15, 2017, 1:35 PM, Hearing Room 017

Rep. Faber: 614-466-6344

OR IMMEDIATELY AFTER SESSION

Testimony from the following:
- Department of Taxation (if-needed)
- Public testimony

HOUSE CIVIL JUSTICE

Wed., Mar. 15, 2017, 2:30 PM, Hearing Room 113


OR IMMEDIATELY AFTER SESSION

HB52  DEED SOLICITATION REGULATION (REZABEK J) To regulate the solicitation of certain deeds.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HOUSE STATE AND LOCAL GOVERNMENT

Wed., Mar. 15, 2017, 2:30 PM, Hearing Room 122


OR AFTER SESSION

HB39  SNOW REMOVAL (ARNDT S, GAVARONE T) To authorize certain townships to require the removal of snow and ice from sidewalks abutting property.

Third Hearing, All Testimony, POSSIBLE VOTE

HB44  DAY DESIGNATION-FIRST RESPONDERS (PATMON B) To designate May 24 as First Responders' Appreciation Day.

Second Hearing, All Testimony

HB65  SANITATION REGISTRATION REVIEW (HILL B) To require the Director of Agriculture and the Director of Health to adopt rules governing reviews of registered sanitarians and sanitarians-in-training who conduct inspections of retail food establishments and food service operations.
SECOND HEARING, OPPONENT/INTERESTED PARTY TESTIMONY

LEVY REVENUE REIMBURSEMENT (CUPP B) To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.

SECOND HEARING, ALL TESTIMONY

REPORT(S): My Tracked Bills, OML Legislative Report

MONTH DESIGNATION-OHIO BOATING (ARNDT S, PATTON T) To designate June as "Ohio Goes Boating Month."

MONTH DESIGNATION-TEEN DATING VIOLENCE AWARENESS (SYKES E, PERALES R) To designate February as "Teen Dating Violence Awareness Month."

FIRST HEARING, SPONSOR TESTIMONY

FISCAL EMERGENCY PROVISIONS (REINEKE W) To modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision.

FIRST HEARING, SPONSOR TESTIMONY

REPORT(S): My Tracked Bills, OML Legislative Report

HOUSE FINANCE HEALTH AND HUMAN SERVICES SUBCOMMITTEE

Wed., Mar. 15, 2017, 3:00 PM, Hearing Room 313


OR AFTER SESSION
Committee will take public testimony on the following topics:
- Developmental disabilities
- Insurance and health care
- Job and family services

OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

NINTH HEARING, ALL TESTIMONY

SENATE EDUCATION

Wed., Mar. 15, 2017, 3:15 PM, South Hearing Room

Sen. Lehner: 614-466-4538
Ohio Department of Education presentation on assessments.

**HOUSE ARMED SERVICES, VETERANS AFFAIRS AND HOMELAND SECURITY**

Wed., Mar. 15, 2017, 4:00 PM, Hearing Room 116


OR AFTER SESSION

**HB75** PROFESSIONAL LICENSURE-ARMED FORCES (GAVARONE T, MERRIN D) To establish an expedited process to grant a professional license to an individual who is on active duty as a member of the armed forces of the United States, or is the spouse of such an individual, and holds a valid license in another state.

**Second Hearing, All Testimony, SUBSTITUTE BILL**

Thursday, March 16, 2017

**HOUSE FINANCE AGRICULTURE, DEVELOPMENT AND NATURAL RESOURCES SUBCOMMITTEE**

Thu., Mar. 16, 2017, 9:00 AM, Hearing Room 018


**HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

**Tenth Hearing, All Testimony**

**HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE**

Thu., Mar. 16, 2017, 9:00 AM, Hearing Room 017

Rep. Faber: 614-466-6344

IF NEEDED
Testimony from the following:
- Department of Taxation (if-needed)
- Public testimony

**HOUSE FINANCE HEALTH AND HUMAN SERVICES SUBCOMMITTEE**

Thu., Mar. 16, 2017, 11:00 AM, Hearing Room 313

Committee will take public testimony on the following topics:
- Opioid addiction
- Public health
- Boards
- Aging

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.

Tenth Hearing, All Testimony

Thursday, March 23, 2017

OHIO RETIREMENT STUDY COUNCIL
Thu., Mar. 23, 2017, 10:00 AM, TBA

Bethany Rhodes: 614-228-1346

Agenda to be announced.

PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE COMMITTEE SCHEDULE
March 3, 2017

This week the General Assembly continued with budget hearings while moving along a number of bills of interest to municipalities. The House passed and the Senate started hearings on HB 26, the Transportation Budget (discussed below). We have also continued the debate on municipal income taxes, as Tax Commissioner Testa began testimony before the House Ways and Means Committee this week. The commissioner has been invited back to continue to receive questions by committee members who are interested to learn more about the municipal tax issues being advanced by the administration including the centralized collection of municipal Net Profit filings and distribution of municipal revenues and the elimination of the “throwback” rule.

CALL TO ACTION: HOUSE COMMITTEE TO HEAR PUBLIC TESTIMONY ON GOVERNOR’S PLAN TO CENTRALLY COLLECT MUNICIPAL TAX REVENUES

The House Ways & Means Committee announced yesterday that a hearing on the municipal income tax issues included in the proposed state budget, HB 49, will be held on Tuesday March 7th at 9 am in Statehouse hearing room 121.

This hearing is for opponents, proponents and interested parties to the changes related to the proposal to centrally collect municipal tax revenue and the elimination of the “throwback” rule. All municipal officials who are interested in testifying are encouraged to attend the hearing Tuesday to express any concerns about the changes being discussed.

Attached below are the House Ways and Means committee notice and talking points related to these topics.

House Ways and Means committee notice
Throw Back Rule Talking Points
Centralized Collection Talking Points

If you have any questions please contact Kent Scarrett, Executive Director KScarrett@omlohio.org or contact the OML office.

OHIO CITIES LEADING THE WAY IN ECONOMIC DEVELOPMENT

Recently, Ohio cities have come under attack for allegedly being unfriendly to business. However, we have noticed multiple occasions lately where our communities have shown great success and leadership in various key economic areas. Below, are just some of the articles we have found on this subject. Both articles recently appeared in Forbes magazine and are titled: “Why Ohio is the Best State in America to Launch a Start-up” and “The Best Cities For Healthcare Jobs.” These distinctions are so important due to the fact that 80% of all Ohio businesses are located in Ohio cities and villages. Any actions by other entities to impede the progress of Ohio’s municipalities is tragically detrimental to the ability of the state of Ohio to attract and retain jobs, a build a future for its residents.


Ohio captures second place nationally in Site Selection Magazine’s Governor’s Cup honors!
As the economic engines for the state of Ohio, Ohio cities and villages continue to receive national cognition for their forward thinking practices and opportunities to make their communities the most attractive resources for job creation and retention.

Recently, many cities and villages in Ohio fared extremely well for business site selection in the annual Site Selection Magazine ranking, based on economic development. Here is an overview of how Ohio’s municipalities performed:

- #2 in states overall; #3 is states per captia,
- Cincinnati was #5 and Columbus #8 in areas with population of 1 million or more
- Dayton was #3 and Toledo #7 for areas with population of 200,000 to 1 million
- Findlay was #1, Wooster was #3, and Celina, Defiance, and Portsmouth tied for #10 for rural areas.

The League is very proud of the accomplishments of our members as they to continue to lead the way in economic development opportunities for current and future business enterprises.

We encourage our members to read these articles to get a better perspective of what is really happening across our municipalities as they lead the way in Ohio’s economic recovery.


**OHIO MUNICIPALITIES WIN TWO OF TOP FIVE AT THE INTERNATIONAL WATER TESTING AWARDS**

This week, the Ohio Village of Montpelier won “Best Municipal Water in the World” Award at the Berkeley Springs International Water Tasting, held in West Virginia and the City of Hamilton won third place. This event is often called the “Academy Awards in Water.” Congratulations!


**TAX COMMISSIONER TESTA TESTIFIES ABOUT MUNI INCOME TAX COLLECTION**

This past Tuesday, Commissioner Testa testified on HB 49 before the House Ways and Means Committee. During his testimony, he re-emphasized that this budget bill had job creation as its number one priority, and reiterated the Kasich Administration’s commitment to transitioning away from the income tax to a more consumption-based economy.

After addressing several other tax changes in the budget bill, he moved to the topic of municipal income tax and the bill’s proposal of centralized collection of municipal Net Profit taxes and the elimination of the “throwback” rule. He alleged that municipal Net Profit business filings were the “biggest, most burdensome tax” and that it “lacked uniformity in administration”, among other aspects he criticized of this local tax component.

He once more outlined the budget bill’s proposal to make the Ohio Department of Taxation the sole administrator for the municipal net profit business filings, and then made the claim (despite the fact that it is nowhere to be found in the bill language) that distribution of Net Profit revenues back to municipalities will include interest earned. Mr. Testa alleged that centralized collection would save municipalities “$9 million a year” in compliance fees and make municipalities more attractive to outside businesses - even though he had no numbers or examples demonstrating how current Net Profit revenue collection is currently dissuading outside businesses from opening in Ohio municipalities. Additionally, he
claimed that centralized collection would mean “more revenue” for municipalities thanks to “increased compliance” - a claim that has yet to be verified as there is no evidence that ODT would be able to ensure anything close to the compliance achievements local tax departments are able to ensure due to both their local presence and their capacity to ensure the accuracy of every single Net Profit business filing received.

Commissioner Testa then moved on to the proposed elimination of the “throwback” rule, saying that it “distorted and inflated tax liability” while “preventing attraction outside business.” However, he did not provide any statistics or examples to verify his claims.

Three questions were asked of Commissioner Testa regarding municipal tax issues from Rep. Michael Henne (R-Clayton). He asked the Commissioner if ODT had more resources to ensure compliance and accuracy, if municipalities should be concerned about getting their revenues back, and if municipalities should be concerned that centralized collections will be extended to individual withholdings. Testa responded that ODT had more “bandwidth” for processing filings, that the school districts, counties and municipal utility tax all stood as examples for successful centralized collection and redistribution, and that the Administration has “no plans” for individual returns as they are focused on “businesses, not municipalities.”

Commissioner Testa will come before the House Ways and Means again on Thursday, March 9 to continue answering questions on the subject. Please refer to our committee schedule for times and locations of this hearing.

**HOUSE PASSES & SENATE BEGINS HEARINGS ON TRANSPORTATION BUDGET**

On Tuesday, the Ohio Senate began hearings on the Transportation Budget bill, HB 26 (McColley). It is not unusual for the Senate to begin hearings even before the House passes its version. The House passed its version on Wednesday 83-13. A few issues of contention included a raise of registrar fees from $3.50 to $5.25 and a provision that allows counties to add a permissive $5 fee to license plate registration. League staff have been having conversations with members of the Ohio House and Senate to have language included in the bill to provide Ohio municipalities this same flexibility being provided counties. We are hopeful members of the Senate will recognize the infrastructure challenges our cities and villages face and will provide this source of relief to other communities.

At Tuesday’s hearing, testimony began with Ohio Tax Commissioner Joe Testa, who testified about the proposed changes to the point of taxation for the motor fuel tax and the changes to increase the compressed natural gas tax to equal the motor vehicle fuel tax.

Testimony was then heard from multiple agencies, mainly repeating their testimony from the House hearings. The Assistant Director of the Ohio Department of Transportation Jim Barna testified about a couple of issues that municipalities should take note of. He first testified against a House-added provision that mandates a study of an eastern bypass around Cincinnati’s Brent-Spence Bridge. He says it is unnecessary because Kentucky is already doing the same study. He also testified that the ODOT is opposed to an item mandating limited access exit and entrance ramps on interstates every four miles in cities with populations above 30,000 and counties with more than 1 million people. "We have processes in place to make decisions about new interchanges that are based on safety or traffic needs. This mandate addresses neither," Barna said. "In addition, it would cost hundreds of millions of dollars to implement, which means that more deserving projects would not get built."

We will keep our members up to date as hearings progress on this legislation.

**SPEAKER CREATES TASK FORCE ON DRUG EPIDEMIC**

On Monday, the Speaker of the House Cliff Rosenberger (R-Clarksville) announced that he is creating several task forces that will focus on specific priorities for the House of Representatives. One of them of particularly great interest of the league and our members will be the H.O.P.E.S. (Heroine, Opioids, Prevention, Education, Safety) Task Force. It will be
Chaired by Representative Robert Sprague (R-Findlay) who has focused on this issue in the General Assembly for several years now. Rep. Sprague is a former City Auditor in Findlay and has spoken at OML events on the topic of the drug epidemic in Ohio.

The League has long encouraged General Assembly members to understand the need for resources in our cities and villages. The administration says $1 billion is being allotted to help fight drug abuse and addiction. Although we're not sure yet about the details of how this money will be spent, in a conversation with The Department of Public Safety (DPS), League staff was informed that this billion dollars is an aggregate of spending across multiple departments. However, DPS will be making funds and other resources available to local communities in the near future. They have promised to keep us informed as these become available.

A MESSAGE FROM THE OHIO EPA

Good Afternoon,

Director Butler would like to bring to your members attention the March 9th lead mapping requirement deadline for public water systems to comply with H.B. 512 of the 131st General Assembly. Ohio EPA staff have been working with public water systems to help them meet this deadline and we seek your assistance to encourage your members that are public water systems to comply with this requirement. They may contact their local Ohio EPA district office if they need assistance. We have also enclosed a link to the Ohio EPA website with contact information for their local Ohio EPA district office:

http://epa.ohio.gov/Districts/tabid/5857/LiveTabId/115777/default.aspx#115772917-county-contacts

This requirement was a legislative requirement from House Bill 512 of the 131st Ohio General Assembly. In June 2016, HB 512 was passed to enact section 6109.121 of the Ohio Revised Code (ORC) to establish requirements governing lead and copper testing for community and nontransient noncommunity public water systems and to revise law governing lead contamination from plumbing and fixtures. The law requires community water systems to identify and map areas of their distribution systems that are known or likely to contain lead service lines. These systems are also required to identify and provide a description of the characteristics of buildings served by the system that may contain lead solder, fixtures or pipes. Single building community and nontransient noncommunity water systems are required to map areas of the system that have solder, fixtures and pipes containing lead. Water systems are encouraged to work with their local building authorities when identifying distribution areas with lead service lines, as described in section IV of this guidance document.

The purpose of this legislative requirement is for public water systems to identify areas that are known to contain or likely to contain lead service lines. The use of the maps will be for Ohio EPA to ensure that the proper lead and copper sampling is done in areas of lead service lines. Once the map is reviewed by our staff to make sure it meets the criteria set forth in the guidance (see below), it will be put in our electronic filing system and the Ohio EPA website, which is publicly available. At that point, anyone can view the map and contact their water system with any questions. Additionally, Ohio EPA has a fact sheet on how consumers can minimize their exposure to any lead in drinking water. Please note that having a lead service line does not mean that you definitely have lead in the drinking water.


Thank you for your assistance and please feel free to contact either of us if you have any questions or need any additional information.

Thank you again,

Greg and Danielle
LEGISLATIVE ACTIONS AFFECTING MUNICIPALITIES THIS WEEK

**Introduced this week:**

- **HB91 CHIEF OF POLICE TRAINING (CUPP B)** To require the Ohio Peace Officer Training Commission to develop and conduct a chief of police training course for newly appointed village, city, and township chiefs of police.

- **SB72 PREVAILING WAGE LAW (HUFFMAN M)** To allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects.

- **SB75 WATER SERVICE PROPERTY LIENS (BROWN E)** Regarding property liens for unpaid county or municipal water service charges.

- **HB103 FISCAL EMERGENCY PROVISIONS (REINEKE W)** To modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision.

**Passed by the House this week:**

- **HB34 OFFICIAL NOTICE DELIVERY (HAMBLEY S, RYAN S)** To authorize certain state agencies, local governments, and other boards, commissions, and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail. Vote 94-0

**BILLS OF MUNICIPAL CONCERN RECEIVING HEARINGS**

This week the General Assembly heard testimony on several bills of municipal concern. First, is Senate Bill 67, introduced by Senators Randy Gardner (R-Bowling Green) and Cliff Hite (R-Findlay) which would require the Attorney General to establish a violent offender registry and to name this act "Sierah's Law." Senator Gardner testified that "[There] are only five states in the nation that currently maintain a violent offender registry, namely Indiana, Illinois, Montana, Kansas and Oklahoma. All of them differ in important ways... We know we have written this legislation in such a way that provides significant discretion to the AG to establish the registry... the legislature may prefer to be more specific in terms of those crimes that would be included ... [or] in detailing the terms of implementation and corresponding responsibilities for local law enforcement if such a registry is established."

Next is Senate Bill 7, introduced by Senators Kevin Bacon (R-Minerva Park) and Gayle Manning (R-North Ridgeville) which would provide that service of a protection order or consent agreement upon a person is not necessary for the person to be convicted of the offense of violating a protection order if the person had actual notice of the order or agreement and the person recklessly violated its terms. The Senate Local Government, Public Safety, and Veterans Affairs Committee heard proponent testimony from Nancy Neylon of the Ohio Domestic Violence Network and John Murphy from the Ohio Prosecuting Attorneys Association. Phyllis Carlson Riehm of the ACTION Ohio Coalition for Battered Women submitted written proponent testimony.
Next is Senate Bill 37, introduced by Senator Cliff Hite (R-Findlay) to the Ohio Peace Officer Training Commission to develop and conduct a chief of police training course for newly appointed village, city, and township chiefs of police. The Committee heard proponent testimony from Michael Harnishfeger, Chief of Police in Ada, and a Past President of the Ohio Association of Chiefs of Police. He testified that he had to quickly educate himself when he became Chief and this class will help create a foundation for future police chiefs.

Lastly, the House Insurance Committee heard testimony about the Industrial Commission Budget House Bill 26 introduced by Representative Tom Brinkman (R-Mt. Lookout). Chairman Tom Bainbridge testified that the Commission has reduced its workforce and budget substantially over time. The Committee also opened the floor to proponent testimony on the Workers Compensation Budget, House Bill 27, introduced by Representative Tom Brinkman (R-Mt. Lookout) but there were no witnesses.

**COMMITTEE SCHEDULE FOR THE WEEK OF MARCH 5, 2017**

**Tuesday, March 7, 2017**

**HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT**

Tue., Mar. 7, 2017, 9:00 AM, Hearing Room 114
Presentations by Ohio Bankers League, Ohio Credit Union League, Community Bankers Association of Ohio and Ohio Department of Commerce.

HB46  GOVERNMENT FUNDS (SPRAGUE R) To modify the qualifications regarding notes eligible for investment of county inactive moneys and money in the public library fund.
   First Hearing, Sponsor Testimony

HB67  JUDGMENTS-DISPUTE SETTLEMENT (YOUNG R) To prohibit a person from obtaining a confession of judgment from another person except in connection with the settlement of a dispute.
   First Hearing, Sponsor Testimony

**HOUSE WAYS AND MEANS**

Tue., Mar. 7, 2017, 9:00 AM, Hearing Room 121
Rep. Schaffer: 614-466-8100
Testimony on personal income tax, CAT, filing changes and municipal tax provisions.

HB49**  OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
   Third Hearing, All Testimony

**SENATE INSURANCE AND FINANCIAL INSTITUTIONS**

Tue., Mar. 7, 2017, 9:30 AM, Senate Finance Hearing Room
Sen. Hottinger: 614-466-5838

SB29  BANKING LAW (COLEY W, OELSLAGER S) To enact a new banking law for the State of Ohio.
   Fourth Hearing, No Testimony, POSSIBLE VOTE

**SENATE JUDICIARY**

Tue., Mar. 7, 2017, 10:15 AM, North Hearing Room
Sen. Bacon: 614-466-8064

SB32  CRIMINAL TRIAL PROCESS (EKLUND J) To provide a prosecutor an additional fourteen days to commence a trial after a person charged with a felony has been discharged because the person has not been brought to trial within the required amount of time and to authorize the court to release the person from detention in connection with those charges pending trial.
   Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE
SB33** LEADS DISCLOSURE (EKLUND J) To allow disclosure of information from the law enforcement automated data system (LEADS) to a defendant in a traffic or criminal case.

Third Hearing, All Testimony, POSSIBLE VOTE

SB66 SENTENCING MODIFICATION-REHABILITATION (EKLUND J, TAVARES C) To modify criminal sentencing and corrections law by including rehabilitation as a purpose of felony sentencing, removing the one-year minimum for presumptive fourth or fifth degree felony community control sanctions, modifying sanctions for a violation of a community control condition, modifying the manner of calculating confinement credits, modifying eligibility criteria and procedures for granting intervention in lieu of conviction, making offenders convicted of certain multiple fourth or fifth degree felonies eligible for conviction record sealing, revising procedures for the Adult Parole Authority to grant a final release or terminate post-release control, and modifying the criteria for considering a prison term sanction for a post-release control violation.

First Hearing, Sponsor Testimony

SB40 DEATH PENALTY SENTENCING (EKLUND J, WILLIAMS S) To provide that a person convicted of aggravated murder who shows that the person had a serious mental illness at the time of committing the offense cannot be sentenced to death for the offense and to provide a mechanism for resentencing to a life sentence a person previously sentenced to death who proves that the person had a serious mental illness at the time of committing the offense.

Third Hearing, All Testimony

HB4 COCAINE AMOUNTS DETERMINATION (CUPP B, ROGERS J) To provide that in determining the amount of cocaine for trafficking and possession offenses, it also includes a compound, mixture, preparation, or substance containing cocaine, and to declare an emergency.

Second Hearing, Proponent Testimony

SB1 DRUG LAWS (LAROSE F) To increase penalties for drug trafficking violations, drug possession violations, and aggravated funding of drug trafficking when the drug involved in the offense is a fentanyl-related compound, to revise the manner of determining sentence for certain violations of the offense of permitting drug abuse, and to add lisdexamfetamine to the list of schedule II controlled substances.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SENATE LOCAL GOVERNMENT, PUBLIC SAFETY AND VETERANS AFFAIRS
Tue., Mar. 7, 2017, 10:30 AM, South Hearing Room
Sen. Uecker: 614-466-8082

SB68 UNSAFE USED TIRES PROHIBITION (LAROSE F, HITE C) To prohibit the installation of unsafe used tires on certain motor vehicles.

First Hearing, Sponsor Testimony

SB7 PROTECTION ORDER VIOLATIONS (BACON K, MANNING G) To provide that service of a protection order or consent agreement upon a person is not necessary for the person to be convicted of the offense of violating a protection order if the person had actual notice of the order or agreement and the person recklessly violated its terms.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SB37** POLICE CHIEFS TRAINING (HITE C) To require the Ohio Peace Officer Training Commission to develop and conduct a chief of police training course for newly appointed village, city, and township chiefs of police.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SB43 TOWNSHIP BUILDING CODES (BACON K) To enable limited home rule townships to adopt building codes regardless of any similar codes adopted by the county in which the township resides.

First Hearing, Sponsor Testimony

SB48 HEARING IMPAIRED-DRIVING (WILLIAMS S) To create a special license plate for hearing-impaired individuals and to require the registrar to include an identifying symbol on a driver's license, commercial driver's license, or state-issued identification card of a hearing-impaired individual, if requested.

First Hearing, Sponsor Testimony

OHIO HOUSE
Tue., Mar. 7, 2017, 11:00 AM, House Chambers
CANCELLED
SENATE RULES AND REFERENCE COMMITTEE  
Tue., Mar. 7, 2017, 11:00 AM, Senate Majority Conference Room  
Sen. Obhof: 614-466-7505  

HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE  
Tue., Mar. 7, 2017, 11:30 AM, Hearing Room 017  
Rep. Faber: 614-466-6344  
OR IMMEDIATELY AFTER SESSION  
Testimony from the following:  
- Athletic Commission  
- Architects Board  
- Respiratory Care Board  
- Cosmetology Board  
- Barber Board  
- Public testimony  

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.  
Seventh Hearing, All Testimony  

HOUSE RULES AND REFERENCE  
Tue., Mar. 7, 2017, 12:00 PM, Hearing Room 119  

HOUSE STATE AND LOCAL GOVERNMENT  
Tue., Mar. 7, 2017, 1:00 PM, Hearing Room 122  

HB44** DAY DESIGNATION-FIRST RESPONDERS (PATMON B) To designate May 24 as First Responders' Appreciation Day.  
First Hearing, Sponsor Testimony  

HB54 STATE REVENUE OBLIGATIONS (BLESSING III L) To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those qualifying entities.  
Third Hearing, No Testimony, POSSIBLE VOTE  

HB59 DAY DESIGNATION-MOSES WALKER (LELAND D, WEST T) To designate October 7 as "Moses Fleetwood Walker Day."  
Third Hearing, No Testimony, POSSIBLE VOTE  

HB65 SANITATION REGISTRATION REVIEW (HILL B) To require the Director of Agriculture and the Director of Health to adopt rules governing reviews of registered sanitarians and sanitarians-in-training who conduct inspections of retail food establishments and food service operations.  
Second Hearing, All Testimony  

HB69 LEVY REVENUE REIMBURSEMENT (CUPP B) To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.  
First Hearing, Sponsor Testimony  

HB84 MONTH DESIGNATION-OHIO BOATING (ARNDT S, PATTON T) To designate June as "Ohio Goes Boating Month."  
First Hearing, Sponsor Testimony  

OHIO SENATE  
Tue., Mar. 7, 2017, 1:30 PM, Senate Chambers
SB25  PERRY COUNTY MUNICIPAL COURT (HOTTINGER J) To create the Perry County Municipal Court in New Lexington on January 1, 2018, to establish one full-time judgeship in that court, to provide for the nomination of the judge by petition only, to abolish the Perry County County Court on that date, to designate the Perry County Clerk of Courts as the clerk of the Perry County Municipal Court, and to provide for the election for the Perry County Municipal Court of one full-time judge in 2017.

First Hearing, Sponsor Testimony

HB56  EXPUNGEMENT-HUMAN TRAFFICKING (DEVER J, GAVARONE T) To permit a person who is found not guilty or is the defendant in a dismissed case to apply for an expungement of the person's records in the case if the complaint, indictment, or finding of not guilty resulted from the applicant having been a victim of human trafficking, to permit a person convicted of certain prostitution-related offenses to apply for the expungement of any record of conviction of an offense, with certain exceptions, if the person's participation in the offense was a result of having been a victim of human trafficking, and to authorize intervention in lieu of conviction for persons charged with committing an offense while a victim of compelling prostitution.

First Hearing, Sponsor Testimony

HB81  DEATH SENTENCE-MENTAL ILLNESS (SEITZ B, ANTONIO N) To provide that a person convicted of aggravated murder who shows that the person had a serious mental illness at the time of committing the offense cannot be sentenced to death for the offense and to provide a mechanism for resentencing to a life sentence a person previously sentenced to death who proves that the person had a serious mental illness at the time of committing the offense.

First Hearing, Sponsor Testimony

HB6  RECORDS PUBLICATION FEES (BARNES, JR. J) To prohibit a person who publishes or disseminates criminal record information from soliciting or accepting a fee to remove, correct, modify, or refrain from publishing or otherwise disseminating the information and to provide criminal and civil remedies for a violation of the prohibition.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HB19  ARSON OFFENSE DEFINITION (BLESSING III L, LANDIS A) To include recklessly causing, by means of fire or explosion, physical harm to the offender's or another person's motor vehicle, house, building, or other structure, or to any other property of another person, while manufacturing or attempting to manufacture a controlled substance, as a violation of the offense of arson.

Second Hearing, Proponent Testimony

HB38**  CRIMINAL OFFENSES-VIOLENCE (GREENSPAN D) To provide that purposely causing the death of a first responder or military member is aggravated murder and to require an offender to serve the prison term imposed for felonious assault on a peace officer, investigator, first responder, or military member consecutively to the prison term imposed for any related offense.

Second Hearing, Proponent Testimony

HOUSE ECONOMIC DEVELOPMENT, COMMERCE AND LABOR
Tue., Mar. 7, 2017, 1:30 PM, Hearing Room 113

HB42  VEHICLE TIRE SAFETY (SPRAGUE R, DEVITIS A) To prohibit the installation of unsafe used tires on certain motor vehicles.

Third Hearing, All Testimony

HB2  CIVIL RIGHTS EMPLOYMENT LAW (SEITZ B) To modify Ohio civil rights laws related to employment.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE
Tue., Mar. 7, 2017, 2:30 PM, Senate Finance Hearing Room
Sen. LaRose: 614-466-4823
OR AFTER SESSION
HB26**        TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

   Second Hearing, All Testimony, PENDING REFERRAL

SENATE HEALTH, HUMAN SERVICES AND MEDICAID
Tue., Mar. 7, 2017, 3:15 PM, South Hearing Room
Sen. Burke: 614-466-8049
Governor's appointments:
- Andrew Bowers to the Counselor, Social Worker and Marriage and Family Therapist Board
- Marcia Emerson and Susan Pohler to the Ohio Optical Dispensers Board
- Renu Kotwal to the Chemical Dependency Professionals Board
- Anissa Seifert to the Occupational Therapy, Physical Therapy and Athletic Trainers Board.

SB16   HEALTH CARE CULTURE COMPETENCY (TAVARES C) To require certain health care professionals to complete instruction in cultural competency.
       First Hearing, Sponsor Testimony
SB56   THERAPY PROTOCOL REQUIREMENTS (LEHNER P, TAVARES C) To adopt requirements related to step therapy protocols implemented by health plan issuers and the Department of Medicaid.
       Second Hearing, Proponent Testimony
SB57   DAY DESIGNATION-CANCER AWARENESS (KUNZE S) To designate the seventeenth day of May as "Diffuse Intrinsic Pontine Glioma Awareness Day."
       Second Hearing, All Testimony, POSSIBLE VOTE

HOUSE EDUCATION AND CAREER READINESS
Tue., Mar. 7, 2017, 4:00 PM, Hearing Room 121

HB47   STUDENTS IN MILITARY (BOCCIERI J) To enact the "Students to Soldiers Support Act (S3A)" regarding the participation of students who are serving in the uniformed services in extracurricular activities at public and nonpublic schools and public and private colleges.
       First Hearing, Sponsor Testimony
HB80   SCHOOL FOOD-SUMMER INTERVENTION (LATOURETTE S, SMITH K) To require school districts to allow approved summer food service program sponsors to use school facilities to provide food service for summer intervention services under certain conditions.
       First Hearing, Sponsor Testimony

HOUSE FEDERALISM AND INTERSTATE RELATIONS
Tue., Mar. 7, 2017, 4:00 PM, Hearing Room 115

HJR2   CONVENTION OF STATES APPLICATION (HAGAN C, PATMON B) Application to the Congress of the United States for a Convention of the States under Article V of the Constitution of the United States that is limited to proposing amendments that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and Members of Congress.
       First Hearing, Sponsor/Proponent Testimony
HB79   MEDICAL PROFESSIONAL FIREARMS TRAINING (RETHERVERD W, HAGAN C) To provide for firearms training for tactical medical professionals; to permit such a professional who has received that training and has been authorized by the law enforcement agency to carry firearms while on duty; and to grant such a professional the same right to carry a concealed handgun in this state as a concealed handgun licensee.
       First Hearing, Sponsor Testimony
HB85   ENTER HEALTH CARE COMPACT (RETHERVERD W) To enter into the Health Care Compact.
       First Hearing, Sponsor Testimony
HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Wed., Mar. 8, 2017, 9:00 AM, Hearing Room 121
Testimony from the following:
- Department of Public Safety
- Ohio Public Works Commission

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
Fourth Hearing, Invited Testimony

SENATE WAYS AND MEANS
Wed., Mar. 8, 2017, 9:00 AM, South Hearing Room
Sen. Eklund: 614-644-7718

HB11 INCORPORATING FEDERAL REVENUE CHANGES (SCHERER G) To expressly incorporate changes in the Internal Revenue Code since February 14, 2016, into Ohio law.
Second Hearing, All Testimony, POSSIBLE VOTE

SB36 AGRICULTURAL COMPUTATION (HITE C) To require that the computation of the capitalization rate for the purposes of determining CAUV of agricultural land be computed using a method that excludes appreciation and equity buildup and to stipulate that CAUV land used for a conservation practice or enrolled in a federal land retirement or conservation program for at least three years must be valued at the lowest of the values assigned on the basis of soil type.
Fourth Hearing, Opponent/Interested Party Testimony

SENATE GOVERNMENT OVERSIGHT AND REFORM
Wed., Mar. 8, 2017, 9:45 AM, Senate Finance Hearing Room
Sen. Coley: 614-466-8072

SB10 PRIMARY ELECTION REQUIREMENTS (LAROSE F) To expand the circumstances under which a board of elections or the secretary of state is not required to hold a primary election.
Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SB44 CAMPAIGN ELECTRONIC FILING (LAROSE F) To allow certain campaign committees and other entities to file campaign finance statements electronically and to require the Secretary of State to make the information in those electronic statements available online.
Third Hearing, All Testimony, POSSIBLE VOTE

HB32 CASINO GAMBLING EMPLOYEES (SEITZ B) To specify that the criminal penalty related to casino operators and employees participating in casino gaming applies at their casino facility or an affiliated casino facility.
Second Hearing, Proponent Testimony

SB54 SUMMER FOOD PROGRAMS (BROWN E, LEHNER P) To require school districts to allow approved summer food service program sponsors to use school facilities to provide food service for summer intervention services under certain conditions.
Second Hearing, Proponent Testimony

SB62 DAY DESIGNATION-HARRISON DILLARD (YUKO K) To designate July 8 as "Harrison Dillard Day."
Second Hearing, Proponent Testimony

SJR1 CONVENTION OF STATES APPLICATION (HUFFMAN M) Application to the Congress of the United States for a Convention of the States under Article V of the Constitution of the United States that is limited to proposing amendments that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and Members of Congress.
Second Hearing, Proponent Testimony

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT
Wed., Mar. 8, 2017, 10:00 AM, Hearing Room 122
Presentations by Ohio Housing Council and Coalition on Homelessness and Housing in Ohio.
HB35  BANKING LAW (HUGHES J) To enact a new banking law for the State of Ohio.
  Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE
Wed., Mar. 8, 2017, 10:15 AM, South Hearing Room
Sen. LaRose: 614-466-4823

HB26**  TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.
  Third Hearing, All Testimony, PENDING REFERRAL

HOUSE HIGHER EDUCATION AND WORKFORCE DEVELOPMENT
Wed., Mar. 8, 2017, 11:00 AM, Hearing Room 115
Presentations from the Legislative Service Commission on higher education and workforce development.

OHIO HOUSE
Wed., Mar. 8, 2017, 1:30 PM, House Chambers

OHIO SENATE
Wed., Mar. 8, 2017, 1:30 PM, Senate Chambers

SENATE RULES AND REFERENCE COMMITTEE
Wed., Mar. 8, 2017, 1:30 PM, Senate Majority Conference Room
Sen. Obhof: 614-466-7505

HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE
Wed., Mar. 8, 2017, 2:00 PM, Hearing Room 017
Rep. Faber: 614-466-6344
OR IMMEDIATELY AFTER SESSION
Testimony from the following:
- Occupational Therapy, Physical Therapy and Athletic Trainers Board
- Counselor, Social Worker and Marriage and Family Therapist Board
- Psychology Board
- Orthotics, Prosthetics and Pedorthics Board
- Public testimony

HB49**  OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
  Eighth Hearing, All Testimony

SENATE EDUCATION
Wed., Mar. 8, 2017, 3:15 PM, South Hearing Room
Sen. Lehner: 614-466-4538

SB34  SCHOOL YEARS (MANNING G) To generally require public and chartered nonpublic schools to open for instruction after Labor Day.
  Second Hearing, Proponent Testimony
HOUSE ARMED SERVICES, VETERANS AFFAIRS AND HOMELAND SECURITY
Wed., Mar. 8, 2017, 4:00 PM, Hearing Room 116
OR AFTER SESSION

HB75  PROFESSIONAL LICENSURE-ARMED FORCES (GAVARONE T, MERRIN D) To establish an expedited process to grant a professional license to an individual who is on active duty as a member of the armed forces of the United States, or is the spouse of such an individual, and holds a valid license in another state.
First Hearing, Sponsor Testimony

HOUSE CIVIL JUSTICE
Wed., Mar. 8, 2017, 4:00 PM, Hearing Room 018

HB7  MEDICAL CARE PROTECTIONS (CUPP B) To grant qualified civil immunity to certain medical providers who provide emergency medical services as a result of a disaster; to provide that certain communications made regarding an unanticipated outcome of medical care, the development or implementation of standards under federal laws, and an insurer's reimbursement policies on health care are inadmissible as evidence in a medical claim; to provide that medical bills itemizing charges are inadmissible as evidence and an amount accepted as full payment for medical services is admissible as evidence of the reasonableness of the charges; to specify the manner of sending a notice of intent to file a medical claim and provide a procedure for the discovery of other potential claims within a specified period after the filing of a medical claim; to provide that any loss of a chance of recovery or survival by itself is not an injury, death, or loss for which damages may be recovered; to provide civil immunity to certain medical providers regarding the discharge of a patient with a mental condition that threatens the safety of the patient or others; to require that governmental agencies that receive peer review committee records maintain their confidentiality; and to clarify the definition of "medical claim."
Third Hearing, Opponent Testimony

HB52  DEED SOLICITATION REGULATION (REZABEK J) To regulate the solicitation of certain deeds.
Second Hearing, Proponent Testimony

HOUSE COMMUNITY AND FAMILY ADVANCEMENT
Wed., Mar. 8, 2017, 4:00 PM, Hearing Room 114

HB50  SNAP REQUIREMENTS (SCHAFFER T) To establish requirements for electronic benefit transfer cards issued under the Supplemental Nutrition Assistance Program.
First Hearing, Sponsor Testimony

Thursday, March 9, 2017

HOUSE WAYS AND MEANS
Thu., Mar. 9, 2017, 9:00 AM, Hearing Room 121
Rep. Schaffer: 614-466-8100
Prior to public testimony, Tax Commissioner Joe Testa will return to answer committee questions. Committee will take public testimony on tobacco, vapor, beer and wine tax provisions.

PLEASE CHECK OUR WEBSITE MONDAY FOR ANY CHANGES TO THE COMMITTEE SCHEDULE
February 24, 2017

This was a busy week for the legislature with many hearings and testimony on issues that relate to municipalities. The biggest event of the week was the passage of HB 27, the Transportation budget, which is detailed below. Meanwhile, we have several announcements about our advocacy efforts. We want to also thank all the councils that have recently passed resolutions and sent opposing the centralized collection of municipal income tax, the throwback provision changes, and other tax changes in the budget. They are making a significant difference in persuading legislators and legislators are telling us that they are taking notice.

OBM RELEASES SIMULATIONS FOR PROPOSED LGF DISTRIBUTIONS

The Ohio Office of Budget and Management released simulated distributions to local governments based on the proposed "capacity-based" distribution formula. The League is currently opposed to the administration's proposal to base LGF distributions on tax-capacity-based measures. This would create arbitrary winners and losers in the formula. The tables can be found below:

- City simulation table
- Villages with income tax simulation table
- Villages without income tax simulation table

UPDATES ON TRANSPORTATION BUDGET

Hearings continued this week on Ohio's transportation budget (HB26-McColley). An omnibus amendment was accepted Thursday February 23 which made significant changes to the proposal. A list of changes can be viewed HERE. The House Finance Committee then voted on the bill, favorably reporting it. The Senate later announced that hearings on the Transportation budget will start Tuesday, Feb. 28 and a committee vote is anticipated Wednesday, March 22. The transportation budget is typically signed by the governor by April 1.

There was significant debate continuing over the proposal to increase taxes on compressed natural gas (CNG) to match the current $.28 motor fuel tax. The CNG tax would be phased in over a period of four years. The omnibus amendment stripped this provision out of the budget.

The substitute version of the measure required ODOT to ensure that limited access exit and entrance ramps exist on interstates every four miles in urban areas, which was defined as cities with more than 30,000 residents or counties with more than one million residents. The omnibus amendment revises the definition to read "adjacent municipalities in differing counties with populations over 30,000 with one of the municipalities being in a county with a population over one million."

The omnibus amendment also retained a provision that allows the counties the option to levy a $5 fee on license plates. The League has been working with other local government associations (including the County Commissioner's Association) to arrange for such a fee for transportation spending. We will continue to request that the General Assembly retain this license fee provision, but that all local governments be able to take advantage of it.

Other changes include provisions that:

- Removes the application of the motor fuel tax to compressed natural gas (CNG)
- Retains current law as it relates to credits to the motor fuel tax for losses due to shrinkage and evaporation and for prompt payment
- Increases the earmark for Transportation Improvement Districts currently in the bill to $4.5 million per year from $3.5 million.
- Makes the failure to display a front license plate a secondary offense if the car is legally parked.
- Restores current law in relation to the percentages of the motor fuel tax required to be used by local governments to supplement their transportation spending.
- Revises the definition of urban areas in relation to the language in the bill regarding entrance and exit ramps to adjacent municipalities in differing counties with populations over 30,000 with one of the municipalities being in a county with a population over 1 million.

The Committee also heard testimony about the administration's proposed transportation budget provisions that relate to public transit. Testimony was offered by Bob Doyle of All Aboard Ohio, Wendy Patton of Policy Matters Ohio. Both advocated for more money for public transit. Democrats on the panel offered an amendment to put $50 million into public transit, which the panel ultimately voted against.

Tory Richardson, who is Chief Strategy Officer for the Columbus Regional Airport Authority, testified that in support of a hard shoulder pilot project that will allow the ODOT to experiment with using road shoulders under certain circumstances to alleviate traffic congestion.

Jason Kershner, who is President of Government Affairs for the Cincinnati Regional Chamber of Commerce, testified against funds for a study concerning and Eastern Bypass around Cincinnati, because it could be viewed as an alternative to addressing the area's greatest need, which is fixing the Brent Spence Bridge. Further, Kentucky is already conducting such a study, which is due in September of this year. However, on Thursday, the omnibus amendment included requiring ODOT to do a study of the eastern bypass.

G. A. HEARS BILLS OF MUNICIPAL CONCERN

General Assembly committees heard testimony and held hearings on several bills of municipal concern this week. First, is HB 38, introduced by Representative Dave Greenspan (R-Westlake) which would provide that purposely causing the death of a first responder or military member is aggravated murder and would require an offender to serve the prison term imposed for felonious assault on a peace officer, investigator, first responder, or military member consecutively to the prison term imposed for any related offense. Current law only includes state law enforcement officers, but the bill would add other public safety forces including firefighters, EMTs and members of the military. The bill covers aggravated murder, which is a premeditated murder. Representative Greenspan said one of his main concerns is addressing retaliatory murders.

Second, the House State and Local Government Committee heard testimony from multiple organizations, just to allow them to introduce themselves to Committee members. The League testified last week for this purpose. This week, testimony was offered by: Ohio Department of Transportation (ODOT), the Ohio Library Council (OLC), Policy Matters Ohio and the Buckeye Institute.

Third, is HB 34, introduced by Representatives Stephen Hambley (R-Brunswick) and Scott Ryan (R-Newark) which would authorize certain state agencies, local governments, and other boards, commissions, and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail.

Fourth, is SB 33, introduced by Senator John Eklund (R-Munson Township) which would allow disclosure of information from the law enforcement automated data system (LEADS) to a defendant in a traffic or criminal case. The Committee heard testimony from Cleve Johnson Chair of the Traffic Law Committee for the Ohio State Bar Association. He testified in favor of the bill, saying that it plugs a hole in the law, protecting prosecutors when they release LEADS data as part of discovery.

Fifth, both chambers passed SJR2, which would set the site for the Governor's State of the State address to Sandusky, Ohio. The speech will be held at the Erie County community at the State Theatre, at 7pm on April 4th, 2017. The speech will be available at [www.ohiochannel.org](http://www.ohiochannel.org). The Resolution passed 31-2 in the Senate and 58-38 in the House. Representative Dan Ramos (D-Lorain) led the opposition, saying that history and the structure of the speech dictated that it should be held in Columbus. Ramos argued that the legislature “invites” the Governor to offer the State of the State
speech and that legislatures have been treated like "audience members" in recent out-of-Columbus speeches. He argued that the Sandusky does not have enough minorities to represent Ohio's diversity. Representative Kristina Roegner (R-Hudson) argued that the legislature is too busy during budget season to take a trip to Sandusky.

Sixth, the House passed HB 9, introduced by Representative Kyle Koehler (R-Springfield), that would specify that language passed in the 132nd General Assembly-allowing vehicles to travel through traffic lights that are malfunctioning-only applies to bicycles. Representative Koehler said the language that was passed inadvertently would allow any driver to treat a red light as a stop sign as long they felt that the light was malfunctioning.

On Thursday, The House Finance Subcommittee on Agriculture, Development and Natural Resources heard testimony from the Director of the Department of Natural Resources James Zehringer. He testified about the Department's efforts regarding injection wells and dam safety. He testified that 363 Class I structures could, if they were to fail, cause loss of life and that ODNR owns 56 of those dams. He also testified about fracking and earthquakes, saying that Ohio is a nationally and internationally recognized leader with "regard to proactive efforts in monitoring induced seismic activity." He said the Department also has installed infrared cameras to detect escaping gases and worked to address redundant oil and gas wells in the state.

Next, the Senate Government Oversight and Reform Committee heard sponsor testimony only regarding SB 44, introduced by Senator Frank LaRose (R-Hudson) which would allow certain campaign committees and other entities to file campaign finance statements electronically and would require the Secretary of State to make the information in those electronic statements available online. Senator LaRose testified that the bill is an important modernization provision.

COMMUNITY/POLICE RELATIONS BOARD ISSUES NEW STANDARD

The Ohio Collaborative Community-Police Advisory Board, which Governor Kasich created in 2015 to foster positive community/police relations, finalized a new standard on "bias-free policing" Friday during its meeting at the Ohio Department of Public Safety (DPS). This standard is the seventh standard issued by board. The new standard is as follows:

"Agencies shall establish a written policy governing biased-based profiling that includes the following provisions:

- A prohibition against biased-based profiling in traffic contacts, field contacts and in asset seizure and forfeiture efforts;
- Training all agency enforcement personnel in biased-based profiling issues and the relevant legal aspects;
- Corrective measures if biased-based profiling occurs;
- The collection of data on all self-initiated traffic contacts to include, at a minimum, the race and gender of the driver of the vehicle stopped. For agencies that employ fewer than 35 sworn full time police officers, the collection of data does not have to occur until the year 2020; and
- A documented annual administrative review of agency practices, data collected and citizens' concerns. This review shall be made available to the public."

NLC RELEASES REPORT ON NATIONAL PREEMPTION ISSUES

On February 22, the National League of Cities (NLC) in partnership with the state municipal leagues released a new report entitled, "City Rights in an Era of Preemption." The report examines the prevalence of state preemption across the country in seven key policy areas: minimum wage, paid leave, anti-discrimination, home sharing, ride sharing, municipal broadband, and tax and expenditure limitations (TELs).

"Preemption efforts - where state law nullifies a municipal ordinance or authority - lead to a loss of local control and can have far-reaching economic and social impacts in our communities," said NLC's CEO and Executive Director Clarence E. Anthony. "Local leaders should be empowered to adapt policies to meet the needs of their residents, ensuring cities have the tools they need to build stronger economies, promote innovation and move the country forward."

In recent years, the report finds that state legislatures have gotten more aggressive with preemption efforts. Preemption bills often concern politically divisive issues and rely on single party dominance to pass through state legislatures. As of
the 2016 election cycle, Republicans have 25 government trifectas, meaning they control both legislative chambers and the governor's office, while Democrats have trifectas in six states and control a larger portion of city halls.

States can preempt cities from legislating on issues either by statutory or constitutional law, and in some cases, court rulings.

The report finds:

* 24 states preempt local minimum wage ordinances
* 17 states preempt local paid leave ordinances
* 3 states explicitly preempt local anti-discrimination ordinances
* 37 states limit local authority to regulate ride sharing
* 3 states limit local authority to regulate home sharing
* 17 states preempt localities from establishing municipal broadband service
* 42 states limit local fiscal authority through tax and expenditure limitations (TELs)

"Our research points to the complex, and sometimes tenuous, relationship between cities and state legislatures," said NLC's Senior Executive and Director of the Center for City Solutions and report co-author Brooks Rainwater. "People who live in cities want control over their own destinies and when states seek blanket policies that run counter to the values of its municipalities, local leaders do not stand down. We see many instances where state-level politicians work to usurp the will of people in cities both through preemption and Dillon's Rule provisions. As a result, the work of city leaders and the mandate of the people is undermined."

NLC recommends that cities facing preemption challenges should engage in active communication with their state legislatures, choose preemption battles wisely, and address the preemption narrative directly.

Find the full report at: nlc.org/preemption

**LEAGUE HIRES PRIVATE ADVOCACY FIRM**

The League would like to announce that Brian Barger and Brad Barger of Capitol Square Advisors have been retained to supplement our representation before the Ohio General Assembly, the Office of the Governor, and executive level agencies. Brian Barger is an attorney with municipal legal experience who has represented multiple trade associations and businesses before the Ohio General Assembly for two decades. Brad Barger, formerly the Deputy Director of Legislative Affairs for Governor John Kasich, represents multiple trade associations utilizing his experience working in both the Ohio House and Ohio Senate.

"Brad and Brian bring a lot to the table for the League. The hiring of this well-respected private advocacy firm will allow us to broaden our approach and more effectively communicate and educate members of the General Assembly," said OML Executive Director Kent Scarrett. "We believe Brian and Brad bring a wealth of relationships and experience that we will be able to leverage to advance our mission of fostering and strengthening the partnership between the state and its cities and villages."

**LEGISLATORS MEET WITH LEAGUE BOARD**

Last Friday, two members of the Ohio General Assembly met with the League's Board of Directors: Senator Bob Peterson (R-Sabina) and Representative Marlene Anielski (R-Walton Hills). The members both discussed at length issues related to municipalities, especially municipal tax central collection, the Local Government Fund, and grants programs. Both members bring valuable perspective. Representative Anielski is a former Mayor of Walton Hills and Senator Peterson is a former President of the Ohio Farm Bureau. Both were able to pull from their experiences to offer insight to the Board. Board members engaged with the two members at length, expressing their point of view on multiple issues. We want to thank these two members for their time and effort and we look forward to working with them in the future.

**OML IN THE MEDIA**

Here are a few good links to share about the Governor's proposed budget provisions:
Director Kent Scarrett Interview on State of Ohio:

Discussion of Budget in Columbus Dispatch:

Breakdown of Governor's Budget Winners and Loser in Cleveland Plain Dealer: http://www.cleveland.com/datacentral/index.ssf/2017/02/heres_which_ohio_cities_villag.html

**BILLS OF MUNICIPAL CONCERN INTRODUCED THIS WEEK**

HB79 MEDICAL PROFESSIONAL FIREARMS TRAINING - To provide for firearms training for tactical medical professionals; to permit such a professional who has received that training and has been authorized by the law enforcement agency to carry firearms while on duty; and to grant such a professional the same right to carry a concealed handgun in this state as a concealed handgun licensee.
Introduced Retherford, W Hagan, C

SB67 VIOLENT OFFENDER REGISTRY - To require the Attorney General to establish a violent offender registry and to name this act "Sierah's Law."
Referred to Judiciary Committee Gardner, R Hite, C

SJR2 JOINT SESSION-GOVERNOR'S SPEECH - Authorizing a joint session of the Ohio General Assembly to meet at the Sandusky State Theatre in Sandusky, Ohio, for the purpose of receiving a message from the Governor as to the State of the State and calling for a committee to wait upon the Governor in anticipation of his address.
Introduced Gardner, R

**LEGISLATIVE SCHEDULE**

Tuesday, February 28, 2017

**HOUSE WAYS AND MEANS**
Tue., Feb. 28, 2017, 9:00 AM, Hearing Room 121
Rep. Schaffer: 614-466-8100
Testimony from Department of Taxation on tax provisions of HB49.

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
  First Hearing, Invited Testimony

**SENATE TRANSPORTATION, COMMERCE AND WORKFORCE**
Tue., Feb. 28, 2017, 9:00 AM, South Hearing Room
Sen. LaRose: 614-466-4823
Governor's appointment:
-Frederick Truehaft to the Bureau of Workers' Compensation

HB26** TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.
  First Hearing, Invited Testimony
  Report(s): My Tracked Bills

**SENATE INSURANCE AND FINANCIAL INSTITUTIONS**
Tue., Feb. 28, 2017, 9:30 AM, Senate Finance Hearing Room
Sen. Hottinger: 614-466-5838

SB29 BANKING LAW (COLEY W, OELSLAGER S) To enact a new banking law for the State of Ohio.
Third Hearing, Opponent/Interested Party Testimony, POSSIBLE VOTE
SB24 CONSUMER INSTALLMENT LOANS (TERHAR L) To create the Ohio Consumer Installment Loan Act.
Third Hearing, Opponent/Interested Party Testimony, POSSIBLE VOTE

SENATE JUDICIARY
Tue., Feb. 28, 2017, 10:15 AM, North Hearing Room
Sen. Bacon: 614-466-8064
Governor's appointments:
- Emily Passias to the Ohio Peace Officer Training Commission
- Julie Rutter to the Ethics Commission

OHIO HOUSE
Tue., Feb. 28, 2017, 11:00 AM, House Chambers

SENATE LOCAL GOVERNMENT, PUBLIC SAFETY AND VETERANS AFFAIRS
Tue., Feb. 28, 2017, 1:00 PM, Senate Finance Hearing Room
Sen. Uecker: 614-466-8082
Governor's appointments:
- Deanna Harris, Thomas Tallman and Dudley Wright II to the State Board of Emergency Medical, Fire and Transportation Services
- Matthew Noble to the State Fire Council

SB7 PROTECTION ORDER VIOLATIONS (BACON K, MANNING G) To provide that service of a protection order or consent agreement upon a person is not necessary for the person to be convicted of the offense of violating a protection order if the person had actual notice of the order or agreement and the person recklessly violated its terms.
Second Hearing, Proponent Testimony

SB37** POLICE CHIEFS TRAINING (HITE C) To require the Ohio Peace Officer Training Commission to develop and conduct a chief of police training course for newly appointed village, city, and township chiefs of police.
Second Hearing, Proponent Testimony
Report(s): My Tracked Bills

SCR3 PETE ROSE INDUCTION (THOMAS C) To urge the Commissioner of Major League Baseball to remove Peter Edward "Pete" Rose from Major League Baseball's permanently ineligible list as soon as possible, and to urge the Baseball Writers' Association of America and the National Baseball Hall of Fame to include Rose on the Hall of Fame ballot.
First Hearing, Sponsor Testimony

HOUSE ECONOMIC DEVELOPMENT, COMMERCE AND LABOR
Tue., Feb. 28, 2017, 1:30 PM, Hearing Room 113

HB2 CIVIL RIGHTS EMPLOYMENT LAW (SEITZ B) To modify Ohio civil rights laws related to employment.
Third Hearing, All Testimony, AMENDMENTS

HB42 VEHICLE TIRE SAFETY (SPRAGUE R, DEVITIS A) To prohibit the installation of unsafe used tires on certain motor vehicles.
Second Hearing, Proponent Testimony

SENATE FINANCE
Tue., Feb. 28, 2017, 2:00 PM, Senate Finance Hearing Room
Sen. Oelslager: 614-466-0626
Governor's appointments:
- Gregory Battle and Nancy Kohnen Cahall to the Cincinnati State Technical and Community College Board of Trustees.
- Sandra Drabik Collins to the Miami University Board of Trustees
- James Doyle, Sharon Evans and Bradley Phillips to the Clark State Community College Board of Trustees
- Lynn Stevens and Kristy Wilkin to the Southern State Community College Board of Trustees
- Lewis Adkins Jr. to the University of Akron Board of Trustees
SB45 UNCLAIMED FUNDS-FINDERS (WILLIAMS S) Regarding payment to a registered finder of unclaimed funds.
First Hearing, Sponsor Testimony

JOINT COMMITTEE ON GAMING AND WAGERING
Tue., Feb. 28, 2017, 2:30 PM, North Hearing Room
Sen. Bill Coley: 614-466-8072
Testimony from Ohio Lottery Director Dennis Berg.

Wednesday, March 1, 2017

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Wed., Mar. 1, 2017, 9:00 AM, Hearing Room 122
Testimony from the following:
- Ohio Supreme Court/judiciary
- Judicial Conference
- Adjutant General

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
Third Hearing, Invited Testimony
Report(s): My Tracked Bills

SENATE WAYS AND MEANS
Wed., Mar. 1, 2017, 9:00 AM, South Hearing Room
Sen. Eklund: 614-644-7718

SB65 ENERGY STAR TAX HOLIDAY (BROWN E) To provide a three-day sales tax "holiday" each April during which sales of qualifying Energy Star products are exempt from sales and use taxes.
First Hearing, Sponsor Testimony

HB11 INCORPORATING FEDERAL REVENUE CHANGES (SCHERER G) To expressly incorporate changes in the Internal Revenue Code since February 14, 2016, into Ohio law.
First Hearing, Sponsor Testimony, AMENDMENTS/POSSIBLE VOTE

SB36 AGRICULTURAL COMPUTATION (HITE C) To require that the computation of the capitalization rate for the purposes of determining CAUV of agricultural land be computed using a method that excludes appreciation and equity buildup and to stipulate that CAUV land used for a conservation practice or enrolled in a federal land retirement or conservation program for at least three years must be valued at the lowest of the values assigned on the basis of soil type.
Third Hearing, All Testimony

HOUSE HIGHER EDUCATION AND WORKFORCE DEVELOPMENT
Wed., Mar. 1, 2017, 10:00 AM, Hearing Room 115

HB58 CURSIVE HANDWRITING INSTRUCTION (BRENNER A, SLABY M) To require instruction in cursive handwriting.
First Hearing, Sponsor Testimony
HB66 TENURED TEACHING REQUIREMENTS (YOUNG R) To require permanently tenured state university or college faculty members to teach at least three credit hours of undergraduate courses per semester.
First Hearing, Sponsor Testimony

OHIO HOUSE
Wed., Mar. 1, 2017, 1:30 PM, House Chambers

Thursday, March 2, 2017

HOUSE WAYS AND MEANS
Thu., Mar. 2, 2017, 9:00 AM, Hearing Room 121
Rep. Schaffer: 614-466-8100
Committee will take testimony only on sales tax provisions of HB49.

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
Second Hearing, All Testimony
Report(s): My Tracked Bills

CRIMINAL JUSTICE RECODIFICATION COMMITTEE
Thu., Mar. 2, 2017, 1:00 PM, Senate Finance Hearing Room

On the agenda: consideration of committee amendments; outstanding business.

PLEASE CHECK OUR WEBSITE MONDAY FOR THE UP TO DATE COMMITTEE SCHEDULE
February 17, 2017

This week the General Assembly held hearings on multiple budget areas as it continued to plow through the budget bill. So far, House committees have not taken out the language creating state centralized collection of municipal business filings and revenue, the elimination of the "throwback" rule or the means testing proposal for the LGF, but we have been in talks with members about specific proposals to do just that. We are optimistic at this point that we are making good progress. Throughout this week's bulletin, you'll see examples of our interactions with the members and how we have gotten our members' message across.

We still need members to contact their legislators to discuss these proposals that will affect municipal revenues and Home rule authorities. We have provided a template for letters HERE and Resolutions HERE that can serve as a basis for these communications. These documents are also available on our website.

**OBM RELEASES "CAPACITY-BASED" DISTRIBUTION FORMULA**

On Monday, the Ohio Office of Budget and Management (OBM) announced the release of their simulations for proposed redistribution of a portion of the Local Government Fund (LGF). We included an overview of this proposal in previous bulletins. Generally, the administration is proposing to means-test a portion of the LGF based on a local jurisdiction's capacity to raise tax revenue locally. The simulated tables can be found here:


OML staff has been having extensive conversations with members of the Ohio House and Senate concerning challenges the Governor's LGF proposal would place upon those communities that will have state aid redirected away from their budgets, based on the factors that determine the capacity based measurements. We continue to talk about alternative approaches to support municipalities that have been adversely affected by the cuts to the LGF, the repeal of Ohio's Estate Tax and the accelerated phase-out of the Tangible Personnel Property Tax in 2011, that does not include a scheme that creates financial "winners and losers."

**SANDUSKY TO HOST 2017 STATE-OF-THE-STATE ADDRESS**

On Monday, Governor Kasich requested that the General Assembly authorize him to hold the annual State of the State Address in Sandusky, Ohio this year. This continues his trend of holding these addresses around the state. He requested to hold the speech at the Erie County community at the State Theatre, at 7pm on April 4th, 2017. The speech will be available at [www.ohiochannel.org](http://www.ohiochannel.org). As part of the events related to the Governor's bi-annual address, members of the legislature will accompany the Governor and members of his cabinet to Sandusky where committee hearings will be held and other legislative activity will move out of Columbus and to the Roller Coaster Capital of the World.

**LEAGUE HOSTS FIRST MUNICIPAL POLICY STUDY GROUP BREAKFAST**
On Wednesday morning the League hosted over two dozen legislators, lobbyists, and other capital square parties for the first Municipal Policy Study Group breakfast. The inaugural meeting was held at the Sheraton Hotel across the street from the Ohio Statehouse. Our goal in forming this roundtable opportunity is to give interested parties an opportunity to openly discuss issues that are related to municipal law and policy in Ohio and especially create a forum where legislators with municipal experience can come together to share ideas and other legislative initiatives. We wanted this to be a true participatory study group, and not just an opportunity for the League to reiterate our own talking points.

At the meeting, Dr. Greg Browning reviewed the issues included in the recently completed Strategic Framework report followed by a discussion of the Governor's proposed budget, especially the municipal income tax centralized collection, the throwback tax provisions, and the new LGF formula. The discussion was largely driven by the attendees and we are very happy with the results. We also received multiple requests for follow-up information from multiple members of the General Assembly. Due to the success of this first breakfast, we plan on doing this on a roughly quarterly basis going forward and greatly appreciate the attendance and participation of those that were able to join us. We have posted a picture of the meeting on our Facebook page.

LEAGUE EXECUTIVE DIRECTOR SCARRETT TESTIFIES AT HOUSE STATE AND LOCAL GOVERNMENT COMMITTEE

On February 14, League Executive Director Kent Scarrett testified before the Ohio House State and Local Government Committee, Chaired by Representative Marlene Anielski, a former Mayor of Walton Hills, Ohio. The Director's testimony focused on introducing new members to the League and providing updates and important information for experienced members. The Director discussed the role and mission of the League, many basic facts about municipalities, and our new Legislative Policy Statement and the Strategic Framework report. A copy of his testimony is available HERE.

BUDGET HEARINGS CONTINUE

Budget hearings continued this week, as members from various committees heard testimony from multiple agencies and organizations. Below, we provide an overview of some of the testimony that affected municipalities.

The County Engineers Association offered testimony on the Transportation Budget. Testimony was given by Delaware County Engineer and Association President Chris Bauserman. Bauserman testified that County Engineers are unable to keep up with the costs of maintaining roads and bridges throughout the state. He discussed multiple options for raising revenue, some of which the League has been part of. He suggested the vehicle registration permissive tax/license plate fee could be increased. Additionally, he suggested the state could reduce the percentage of the Ohio Public Works Commission State Capital Improvement Program set aside from 15 to 10%, or one of three possible "efficiency" plans: bridge inspection modifications; assignment of all civil forfeitures from county weight enforcements to road and bridge maintenance; or moving motor fuel tax collection to the 'rack.'

Also, on the Transportation Budget, the Committee heard testimony about the proposal to tax Compressed Natural Gas (CNG) at $.28 per gallon. Industry experts made multiple arguments, testifying that: the industry is already taxed twice, once at the wholesale level and another at the retail level; CNG is less than 1% of the market so little revenue will be raised; the state and industry have not had time to adequately study the impact of imposing this tax; that Ohio is rich in natural gas and would benefit from developing a robust CNG industry; current contracts (including contracts maintained by some cities and villages) could be undermined by the tax because they are based on current rates; and that other states are taxing CNG at a lower level.

Finally, the Committee heard testimony about public transit. The League has advocated for increased investment in public transit, especially considering the tremendous loss of dollars the industry will experience from the Medicaid sales tax loss. The Committee heard testimony first from Jason Warner Manager of Government Affairs at the Greater Ohio Policy Center. He testified that the state needs to do more to support public transit. He suggested that the state could offer an additional $17 million annually for transit-related capital investments. The Committee also heard testimony on this same subject from Akshai Singh of the Brookings Institution. Nathan Alley of the Ohio Chapter of the Sierra Club testified that the state should "reallocate no less than 10% of transportation budget away from new roadway construction and toward public transportation and complete streets that are accessible for people regardless of age or ability and regardless of whether they are walking, riding a bike, bus or train, or are driving."
On Corrections, Director Gary Mohr spoke at length about the Department's desire to see a "paradigm shift" in financing of this area, where funds would be reallocated to community settings for low-level, non-violent offenders. He said the funds should largely focus on increasing GED attainment. He believes that educational attainment is the single biggest predictor for successful reentry to lower recidivism. Ohio's prison population has not lowered as much as other states, despite efforts by the administration to modernize and reform Ohio's criminal justice system. In this budget the administration will continue the increase in community corrections funding to 71% over 2011 levels. Also, community treatment pilot projects will be substantially expanded into eight counties: Clinton, Ross, Medina, Lucas, Williams, Defiance, Henry, and Fulton.

In addition, various committees heard testimony from the Liquor Control Commission, the Ohio State Racing Commission, the Ohio Sea Grant Program, the Embalmers and Funeral Directors Board, Sanitarian Registration Board, and the Commission on Hispanic and Latino Affairs.

**EPA LEAD AND COPPER MAPPING**

Last month, many of our members received letters from the Ohio Environmental Protection Agency (EPA) regarding requirements in HB 512 (effective Sept. 9, 2016) mandating community and nontransient, noncommunity public water systems identify and map areas of their distribution system that are known or are likely to contain lead services likes, piping, solder or fixtures. (A copy of the guidelines can be found [HERE](#) The deadline for the mapping submissions is March 9, 2017.

Several of our members contacted OML citing that the unreasonableness of such a close deadline, as well as the cost-prohibitive nature of such a mandate. OML reached out to EPA and received a detailed concern-and-response outline, answering multiple specific questions from specific municipalities in one document. OML encourages members to read through the document, provided [HERE](#) If you have further questions or concerns, we encourage you to reach out to either us or the EPA directly for answers.

**CALL FOR 2017 TWO DAYS IN MAY AWARD NOMINATIONS**

The Ohio Attorney General's TWO DAYS IN MAY Awards recognize the outstanding services of individuals and/or organizations empowering victims of crime in Ohio. Individuals and/or programs of any public or private nonprofit organization, whose mission is to assist, protect, or empower victims of crime, are eligible for consideration. Awards will be presented at the Attorney General's Awards Luncheon at the 2017 Two Days in May Conference on Victim Assistance on May 16, 2017.

A new award debuts at this year's conference: the Special Courage Award. This award will be presented to an individual who has demonstrated strength, resiliency and perseverance in serving crime victims. Nominations are also being accepted for the Promising Practice Award and the Robert Denton Special Achievement Award.

**Nominations and Deadlines**

Please complete the nomination form in its entirety. All entries must be received by the Attorney General's Office by March 10, 2017. Each nomination must be signed and dated by the nominator. You may submit more than one nomination, but each nomination must be submitted using a separate nomination form. The nomination form may be duplicated.

This year's conference will be held May 15 -16 at the Greater Columbus Convention Center. Registration begins March 6 through May 5, 2017. This year's fee is $85 and payable by credit card or check.

For more information on the 2017 TWO DAYS IN MAY Awards, visit www.OhioAttorneyGeneral.gov/TDIM, or contact:
Venica Miller, Conference Director
Phone 614-644-1234
venica.miller@ohioattorneygeneral.gov

**STATE TRANSPORTATION INNOVATION COUNCIL (STIC) INCENTIVE PROGRAM WEBINAR,**
**FEBRUARY 28TH, 2017 - 1:00 PM**
Are you a local public agency (LPA) or ODOT Office/District? Interested in applying for up to a $100,000 grant to try out your innovative idea? We have a webinar for you!

Ohio's State Transportation Innovation Council (STIC) is accepting applications through March 15th for incentive funding (up to $100,000 with an 80/20 split) to try out new, innovative ideas for local and state transportation projects. Learn what types of innovations can be approved for funding and what won't or doesn't qualify for funding. Also learn how innovations will be reviewed based on the type of agency submitting it - innovations for local agencies can and definitely are different than innovations for ODOT!

The webinar will be delivered by Adam Johnson, PE, Federal Highway Ohio Division Office and co-chair of Ohio's STIC.

How to Register: Please complete the registration information on the form at the link below. You will receive an email confirming your registration upon submission of the form. Also, please include any questions you would like to submit ahead of time for the presenter to answer during the webinar.

https://ODOT.formstack.com/forms/stic_incentive_webinar_enrollment_form

NON-BUDGET MUNICIPAL-RELATED BILLS RECEIVING HEARINGS THIS WEEK

There were hearings on three bills that we identified as being important to municipalities this week. First, is HB 34, introduced by Representatives Hambley (R-Brunswick) and Scott Ryan (R-Newark) which would authorize certain state agencies, local governments, and other boards, commissions, and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail. The pair gave sponsor testimony on the bill. They testified that the bill would create an efficiency for local governments by allowing them to serve official notices electronically.

Second, is SB 33, introduced by Sen. John Eklund (R-Munson Township) which would allow disclosure of information from the law enforcement automated data system (LEADS) to a defendant in a traffic or criminal case. Senator Eklund said the bill "makes it clear that a defendant has a right to see and have a copy of his or her traffic and criminal record [from the law enforcement automated data system (LEADS)] during a traffic or criminal case . . . Criminal Rule 16(B)(2) ... requires the prosecution provide the defendant 'a copy of the defendant's prior criminal record.' However, I have been made aware that a number of prosecutors feel that if they provide of such records to defendants they may be violating statutes related to the LEADS. In order to properly represent a defendant it is necessary for defense counsel to have all the information so that a defense or plea can be appropriately pursued. Otherwise ridiculous situations occur ... such as a person ... being told he is not allowed to see the 'secret' records which purportedly establish (culpability) ... In addition, it is not unheard of for such records to contain errors." The League would appreciate feedback on this bill, as we have had inquiries from municipal prosecutors who are concerned about the effect the bill will have.

Third is SB 37, introduced by Sen. Cliff Hite (R-Findlay) which would require the Ohio Peace Officer Training Commission to develop and conduct a chief of police training course for newly appointed village, city, and township chiefs of police. Senator Hite gave proponent testimony, saying that the bill is necessary because many police chiefs are unprepared for the task.

BILLS INTRODUCED THIS WEEK OF MUNICIPAL CONCERN

HB51
Faber (R-Celina)

DEPARTMENT REVIEW SCHEDULE - To require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet, and to require that Auditor of State performance audits be scheduled to coincide with the periodic review. Referred to State and Local Government Committee

HB53
Becker (R-Union Township)
PUBLIC EMPLOYEES-MEMBER DUES - To remove any requirement under the Public Employees Collective Bargaining Law that public employees join or pay dues to any employee organization, to prohibit public employers from requiring public employees to join or pay dues to any employee organization, to prohibit an employee organization from being required to represent public employees who are not members of the employee organization, and to make an appropriation.

Referred to Finance Committee

HB54
Blessing III, L (R-Colerain Township)

STATE REVENUE OBLIGATIONS - To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those qualifying entities.

Introduced

HB56
Dever (R-Madera) Gavarone (R-Bowling Green)

EXPUNGEMENT-HUMAN TRAFFICKING - To permit a person who is found not guilty or is the defendant in a dismissed case to apply for an expungement of the person's records in the case if the complaint, indictment, or finding of not guilty resulted from the applicant having been a victim of human trafficking, to permit a person convicted of certain prostitution-related offenses to apply for the expungement of any record of conviction of an offense, with certain exceptions, if the person's participation in the offense was a result of having been a victim of human trafficking, and to authorize intervention in lieu of conviction for persons charged with committing an offense while a victim of compelling prostitution.

Introduced

HB62
Patterson, J (D-Jefferson) Sheehy (D-Toledo)

WATER QUALITY IMPROVEMENT - To require the Director of Agriculture to adopt rules establishing the Ohio Water Quality Improvement Program, to exempt land enrolled in the Program from taxation, and to reimburse local taxing units for revenue lost due to that exemption.

Introduced

HB70
Merrin (R-Waterville)

FUEL TAX TRANSPARENCY - To enact the "Fuel Tax Transparency Act" requiring stickers to be placed on retail service station pumps displaying the rates of federal and state taxes applicable to gasoline and diesel fuel.

Introduced

COMMITTEE SCHEDULE

Tuesday, February 21, 2017

SENATE JUDICIARY

Tue., Feb. 21, 2017, 9:30 AM, North Hearing Room
Sen. Bacon: 614-466-8064

SB20 PERMANENTLY DISABLING CRIME SPECIFICATION (HACKETT R) To require an additional prison term of 3 to 8 years for an offender who is convicted of or pleads guilty to a felony offense of violence if the offender is convicted of or pleads guilty to a specification that the victim suffered permanent disabling harm.

Third Hearing, All Testimony, POSSIBLE VOTE

SB40 DEATH PENALTY SENTENCING (EKLUND J, WILLIAMS S) To provide that a person convicted of aggravated murder who shows that the person had a serious mental illness at the time of committing the offense cannot be sentenced to death for the offense and to provide a mechanism for resentencing to a life sentence a person previously sentenced to death who proves that the person had a serious mental illness at the time of committing the offense.

First Hearing, Sponsor Testimony
SB42  DRUG OFFENSE PENALTIES (EKLUND J) To expressly provide that drug offense penalties that refer to a particular type of drug also apply to a compound, mixture, preparation, or substance containing a detectable amount of that drug and to declare an emergency.
   First Hearing, Sponsor Testimony

SB32  CRIMINAL TRIAL PROCESS (EKLUND J) To provide a prosecutor an additional fourteen days to commence a trial after a person charged with a felony has been discharged because the person has not been brought to trial within the required amount of time and to authorize the court to release the person from detention in connection with those charges pending trial.
   Second Hearing, Proponent Testimony

SB33**  LEADS DISCLOSURE (EKLUND J) To allow disclosure of information from the law enforcement automated data system (LEADS) to a defendant in a traffic or criminal case.
   Second Hearing, Proponent Testimony

Wednesday, February 22, 2017

HOUSE FINANCE PRIMARY AND SECONDARY EDUCATION SUBCOMMITTEE
Wed., Feb. 22, 2017, 9:00 AM, Hearing Room 116
Testimony from the following:
- Legislative Service Commission presentation on school funding
- Casino Control Commission
- Commission on Service and Volunteerism
- Lottery Commission
- Joint Education Oversight Committee

HB49**  OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
   First Hearing, Invited Testimony

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE
Wed., Feb. 22, 2017, 10:15 AM, South Hearing Room
Sen. LaRose: 614-466-4823
Governor's Appointments:
- Capri Cafaro to the Ohio Turnpike and Infrastructure Commission.
- Joseph Denk Jr. to the Board of Building Standards.
- Earl Dohner to the Ohio Board of Motor Vehicle Repair.
- Eric Richter to the Ohio Rail Development Commission.
- Frederick Treuhaft to the Bureau of Workers' Compensation Board of Directors.

SB6**  OHIO BRIDGE PARTNERSHIP PROGRAM (HOAGLAND F) To extend the Ohio Bridge Partnership Program through the end of fiscal year 2019 and to require the Director of Transportation to submit a report to the Governor, Senate, and House of Representatives recommending ways to continue to fund the program.
   First Hearing, Sponsor Testimony
February 10, 2017

BUDGET HEARING UPDATES

This week, the General Assembly continued budget proceedings while the League continued to meet with the Assembly's members. The governor's proposed budget was introduced as House Bill 49, so we have the actual language of the proposals now and are combing through all of the details with more information and specifics to be released soon. Also, hearings were held on the transportation, Medicaid, and education portions of the budget this week.

In our discussions, we continue to focus on subtracting or amending budget provisions related to the centralized collection of the municipal income tax and getting adequate funding from the Local Government Fund. Below are links our members can use to access the budget language being proposed by the administration including the LGF proposal and the municipal tax language.

- House Bill 49: Budget Legislation (LGF formula on page 210; for the "capacity index" language see page 2843-2850) [HERE]
- Municipal Tax Centralized Collection [HERE]
- Throwback repeal [HERE]

The league strongly encourages our members to contact their members of the Ohio General Assembly and communicate any concerns there may be for these significant proposals. We are providing our members a template [HERE] for their consideration when drafting concerns to be included in a Resolution and a template [HERE] for letters members may want to use when communicating with their members of the Ohio House and Senate. These documents are also be available on our website. We would greatly appreciate receiving copies of any correspondence, either Resolutions or letters, from our members to members of the legislature, so that we can help support the outreach occurring by our municipal officials.

Meanwhile, a number of bills were introduced that affect municipalities. We continue to receive a great reception to our strategic framework document and there are many members who are interested in working with the League on the priorities of Ohio's cities and villages. We are very thankful to members who have chosen to discuss our concerns with us. We feel like testimony on budget provisions that affect us has gone well, as many members have expressed the same concerns we have in Committee (discussed in more detail below).

TAX COMMISSIONER TESTIFIES ABOUT CENTRALIZED MUNICIPAL TAX COLLECTION

Yesterday, on Thursday, February 9th, the House Finance Committee heard testimony from Tax Commissioner Joe Testa on the taxation changes in Governor Kasich's budget proposal. The most pertinent matters to municipalities were, of course, the issues of centralized collection through the Ohio Business Gateway and the Department of Taxation for net profit business filings, as well as the elimination of the "throwback" rule.

During his testimony, Testa claimed that centralized collection of net profit business filings would make municipalities more competitive for job growth and investment while saving businesses time and compliance costs in municipal filings. He did not mention the affect centralized collection would have on municipalities, how the State intends to oversee the
accuracy of 4,000 individual businesses while also assessing audits and returns, and how quarterly distributions would disrupt the cash flow and service provisions of the 600 municipalities with an income tax.

Several members of the legislature, however, were interested in those points. Rep. Mike Duffey (R-Worthington) cited the increase in municipal income taxes across the state in recent years, linking it to the attempts at uniformity made in HB 5. Those attempts left municipalities with a revenue loss that local governments were forced to make up with local income tax increases. With this budget proposal, he noted, ODT would charge a 1% administration fee - a fee many self-collecting municipalities (including Worthington) do not charge. Since 70% of filers across the state file in self-collecting municipalities and are not charged this fee, how would this filing fee not result in a net income tax increase by passing on the cost to municipalities?

Commissioner Testa responded by saying that all self-collecting municipalities had to expend some revenue in income tax collection, while admitting ODT had no access to those local records and were forced to use the rates charged by third-party administrators to estimate costs. But the crux of the matter, said Testa, was not the consequences municipalities would suffer. "Our focus is business," he said. "I'm trying to help business." He cited the "nightmare" business claim to face in filing in multiple municipalities and that decreased complexity in tax filings would help municipalities, though he did not expand on how.

Rep. Duffey then pointed out that currently, OBG allows net profit business filings on a permissive basis and asked why it would be necessary to make filing through OBG mandatory. Commissioner Testa admitted OBG was currently not used very much due to the fact that it is not user friendly and is difficult and cumbersome. He spoke to current upgrades being made to OBG and said he felt confident OBD will become viable. He did not speak to why OBG needed to be upgraded and also made mandatory for net profit business filings.

Rep. Alicia Reece (D-Cincinnati) then followed by asking what guarantee municipalities had that once the money came to Columbus, it would be returned to the municipalities. She cited that this was a concern due to the state's track record of cutting local government funding. Testa response by citing the state's track record of collecting and redistributing the sales tax to the counties and the school district income tax to the school districts - concluding his response by reiterating that this is a "pro-business move".

Rep. Michael O'Brien (D-Warren) reminded the committee that cuts to the LGF, accompanied by the loss of the estate tax, had hurt cities financially - particularly in regards to paying for safety personnel, which makes up roughly 50% of a given municipalities total budget. He cited the example of his hometown, Warren - a self-collecting municipality - which charges less than one percent in administration fees, Rep. O'Brien remarked that he'd never, while living in Warren his whole life - in addition to serving in its city council and as it mayor - heard a business complain about net profit filings.

Testa's response was the Department of Tax had no access to the internal record of municipalities to determine the cost for filing net profits. He then cited the "hundreds" of complaints he'd heard from companies regarding the filing in individual municipalities. What he failed to mention, however, was that a business can currently elect to file their net profit filings through the OBG. If there are complaints about the net filing process, then the solution already exists in statute.

Concerning other tax proposals of the administration, the Commissioner was asked a barrage of questions about whether the administration's tax plan would actually accomplish the stated goals of increasing job growth and favoring economic development. Testa was also questioned about the ODT's interpretations of multiple provisions of sales taxes, given that the ODT is attempting to collect taxes that members feel the law does not allow.

MORE HOUSE BUDGET HEARINGS

The Ohio House Finance Subcommittee on Transportation held hearings this week, taking testimony from Ohio Department of Transportation Director Jerry Wray and Director of Public Safety John Born. Both mostly reiterated their testimony before the full Finance Committee from last week. Director Wray elaborated on the proposed changes to the gas tax, which will raise an addition $50 million without raising the actual tax itself.

Wray said, "What they are changing is where the tax is collected. Rather than [Ohio Department of Taxation] collecting from hundreds of taxpayers at the retail level, they will be collecting from less than 100 taxpayers at the wholesale level. The belief that we have is that there are holes in the system and there's sort of some leakage of the tax, and by collecting at
the terminal, there will be no leakage. We'll get all the tax that is due the state of Ohio, but there is no increase in taxes. It's just a matter of tightening the system."

Wray was also questioned at length about funding of public transportation. As we reported last week, the budget increases state funds for public transit, but the overall amount going from all funds may decrease.

Wray also commented on the Brent Spence Bridge, saying essentially that Ohio has done all that it can do to rebuild the bridge, that they are "kind of back at the beginning" on the project, and that the administration is working with the government in Kentucky to get the project moving.

On Wednesday, the Finance Committee also heard testimony about the state Medicaid budget from Greg Moody the Director of the Governor's Office of Health Transformation and Barbara Sears the Director of the Ohio Department of Medicaid. On Tuesday they heard testimony from the Superintendent of the Ohio Department of Education Paolo DeMaria and the Chancellor of the Ohio Board of Regents John Carey on the education portions of the budget.

**OEPA PROPOSES "ASSET MANAGEMENT" REQUIREMENTS FOR PUBLIC WATER SYSTEMS**

Last week, Senator Cliff Hite (R-Findlay) introduced Senate Bill 2 which would revise multiple laws relating to environmental protection. The bill has many provisions that may affect municipalities, however, we want to point out one provision in particular that deals with asset management. The bill requires all public water systems to demonstrate technical, managerial, and financial capability by implementing an asset management program by October 1, 2018.

As for enforcement measures, the bill authorizes the OEPA Director to take certain actions to improve and ensure the capability of a public water system that has failed to make the required demonstration. The bill requires the OEPA to offer several services to aide in the process.

The OEPA Director Craig W. Butler testified that these requirements are a "sound strategy for any business and critical for public water systems" and "a priority to ensure safe and reliable drinking water" because the OEPA "has found that water systems without asset management programs have endured significant problems with extended periods of water use restrictions or no water at all due to issues such as deferred maintenance, lack of management oversight, and no historical records of water lines or maps of service areas."

Chairman Troy Balderson (R-Zanesville) of the Senate Energy and Natural Resources Committee is setting an expedited hearing schedule for this bill, which is a reintroduction of water quality mid-biennium review (MBR) SB333 from the last General Assembly. The bill generally seeks to protect surface and drinking water in Lake Erie and other waterways.

The league will keep our members updated on the progress of the legislation.

**ABANDONED GAS STATION CLEANUP GRANTS AVAILABLE**

The Abandoned Gas Station Cleanup Grant program provides funding to assess and clean up BUSTR Class C sites (underground storage tanks with documented petroleum releases). Ohio Development Services Agency, in partnership with Ohio EPA and the Department of Commerce, Bureau of Underground Storage Tank Regulations (BUSTR), fund the grants as a resource to help clean up abandoned gas and service stations throughout Ohio.

Local government entities who own the eligible property or who have an agreement with the landowner may apply. The applicant and property owner cannot have contributed to the prior release of petroleum or other hazardous substance on the site. The application period for Round 3 opened on Jan. 30. Application deadline: Feb. 28. Read more at: https://www.development.ohio.gov/cs/cs_agsc.htm

**GREATER OHIO POLICY CENTER 2017 SUMMIT**
Our friends at the Greater Ohio Policy Center have asked us to invite you to their 2017 Summit. The Summit is titled: "Investing in Ohio's Future: Maximizing Growth in our Cities and Regions" and will take place March 7th and 8th at The Westin in downtown Columbus. This biennial convening will bring together experts, policymakers, and local leaders to explore best practices in financing and accelerating comprehensive and sustainable growth in communities throughout Ohio. The Summit is open to anyone interested in the development and redevelopment of Ohio's neighborhoods and metropolitan areas. More information and registration details are available on the GOPC website at: http://www.greaterohio.org/events/2017-summit-investing-in-ohios-future.

AN INVITATION FROM OHIO ATTORNEY GENERAL MIKE DEWINE: STATEWIDE MEETING ON DRUG EPIDEMIC

Dear Colleague,

Ohio is experiencing the worst drug epidemic of my lifetime. In 2015, we lost eight Ohioans a day to accidental overdoses from heroin, fentanyl, prescription pills, and other illicit and pharmaceutical drugs. This is a 20.5 percent increase from 2014! Without your hard work and efforts to address this crisis, we would be experiencing an even greater loss.

A year ago, I held an emergency meeting to discuss methods being used to combat the drug problem. We shared many ideas. A lot of contacts were made and new partnerships were built. To continue our fight, I urge you to join me for a second statewide meeting of law enforcement, public safety officials, and others about the drug epidemic in our state. At this meeting, we will highlight programs that work and develop new ideas.

Here are a few of the topics that will be discussed:
* How anti-drug coalitions are finding new and effective ways to collaborate with law enforcement, mental health providers, and hospitals to save lives;
* How the state and local communities are working to establish a continuum of care that will assist individuals struggling with addiction from detox to recovery, and
* How the criminal justice system is responding through law enforcement task forces, drug courts, and the prosecution of drug dealers.

Ideas in Motion - Fighting the Drug Epidemic in Ohio
When: Tuesday, February 14, 2017 -- Registration: 8 a.m. -- Meeting: 9 a.m. - 3:30 p.m.
Where: Fellowship Baptist Church 4701 Winchester Pike Columbus, OH 43232

To join us, please register by visiting www.OhioAttorneyGeneral.gov/OpiateCrisis. On this site, you will also find a detailed agenda. Continuing education credits will be offered and lunch will be provided.

Thank you for all you do to protect and serve your community. I look forward to seeing you at this very important statewide meeting.

Very respectfully yours,
Mike DeWine
Ohio Attorney General
February 3, 2017

GOVERNOR RELEASES OUTLINE OF PROPOSED BUDGET

This week the Kasich administration released the much-anticipated FY 18-19 Ohio Budget. This is the final administration budget for Governor John Kasich. The administration's proposed budget totals $144.3 billion in total spending. This Fiscal Year (FY) 2018-2019 budget totals $71.5 billion in FY18, a 4.4 percent increase from FY17, and $72.8 billion in FY19, a 1.8 percent increase from FY18. The proposed State General Revenue Fund (GRF), which is the part of the budget the state can spend at its discretion, is $33.1 billion in FY18, 5.6 percent below FY17 estimates, and $33.8 billion in FY19, a 2.2 percent increase from FY18. State share GRF (not including federal Medicaid appropriations) is $22.8 billion in FY18, a 0.8 percent decrease from FY17 estimates, and $23.3 billion in FY19, an increase of 2.3 percent over FY18. The Governor's office says that the decrease in GRF arises largely from the elimination of the Medicaid managed care sales tax (discussed below).

LEGISLATIVE ALERT:
CENTRALIZED COLLECTION OF MUNI TAX IN BUDGET

Over the objections of the League and our membership, the Governor's budget proposal includes a provision that would have businesses file one form for municipal income taxes through the Ohio Business Gateway (OBG), creating a centralized collection system of the municipal income tax for businesses. The administration argues that "the system is too complex and costly as businesses are forced to comply with hundreds of different tax systems." Under the proposal, "the Ohio Department of Taxation will process payments and distribute revenues back to the appropriate local government, just as it does for county sales taxes and school district income taxes."

Needless to say, the League is adamantly opposed to any effort allowing the state government to collect taxes for municipalities. At this point, we have no assurance that the state can guarantee the same level of auditing and enforcement of business filings currently performed by municipalities to ensure accuracy of filings and proper remittance of tax due. Secondly, there is no answer as to how municipalities will be able to verify returns and refund requests are accurate. Third, the league has communicated to members of the legislature for years that the current OBG system has significant programming and software flaws and has been severely underfunded for a number of state budget cycles, making the current central portal for businesses filers to make their net profit returns to Ohio cities and villages frustrating both to the business client as well as the community that is the receiver of often incomplete filing information.

The notion of centralized collection of municipal income tax is nothing new. As League members will remember, this was part of the discussion surrounding House Bill 5 (130th General Assembly). The ideas were widely rejected due to near universal opposition from municipalities and most members of the Ohio General Assembly and was removed quickly from the "uniformity" legislation. We believe this proposal would be highly unlikely to pass as a free-standing bill. Attaching this proposal to the budget allows the proponents to pass this provision without the full vetting a free-standing bill would receive. Nonetheless, the League and many of our members plan to educate members of the General Assembly as to the significant problems with this proposal and strongly encourage our members to contact their members of the Ohio House and Ohio Senate to share with them any concerns that your community may have with the proposal to have the state collect and redistribute revenues generated by individual municipalities income tax.

In addition to the Governor proposing the centralized collection scheme, the proposed budget also will eliminate the uniformly applied "throwback" rule. This too was once part of the discussions related to HB5 and was part of the bill before members of the legislature learned of the tremendous revenue loss that would result from the elimination of this
provision of municipal tax calculations. The throwback rule is a technically complicated provision that relates to the sales of tangible personal property and the destination of the product purchased that are shipped from an Ohio municipality to a location at which the seller does not have employee presence at the receiving end. The elimination of this rule will redefine sales for the purposes of net profit, prohibiting municipalities current ability to apply their local tax to businesses that have income generated through off-site, distribution and warehouse fulfillment centers including intellectual property generated through the work of accountants, attorneys, contractors and other professional organizations. Testimony provided by tax administrators and impact statements made by municipalities around the state, as part of hearings on HB5, reflected the revenue implications to this tax change to would be extremely significant to the municipalities that have this type of commercial activity occurring in the communities.

The league strongly encourages our members to contact their members of the Ohio General Assembly and communicate any concerns there may be to these significant proposals. We are providing our members a template HERE for their consideration when drafting concerns to be included in a Resolution and a template HERE for letters members may want to use when communicating with their members of the Ohio House and Senate. These documents will also be available on our website. League staff is compiling talking points for our members to consider when talking about the many aspects of what these changes mean and what the impacts could be to cities and villages across the state. We will distribute that information to our members and our regional municipal organizations next week.

We would greatly appreciate receiving copies of any correspondence, either Resolutions or letters, from our members to members of the legislature, so that we can help support the outreach occurring by our municipal officials.

**OTHER BUDGET ITEMS DIRECTLY AFFECTING MUNICIPALITIES:**

It is important to remind our members that the actual language for the budget bill being proposed by the Governor has not been made public. League staff has not read the bill language to get a complete perspective of the totality of what is being proposed and the important details yet to be discovered related to how new programs will actually be administered. From conversations league staff has had with administrative officials, we expect to have the language available next week.

**LOCAL GOVERNMENT FUND:** There are essentially five main points to take away from the proposed Local Government Fund (LGF), which was cut by over 50% in this administration's first budget in 2010.

1) The LGF will remain at 1.66% of GRF and will continue to be split with the Library Fund. However, the administration expects no "bump up" as there was in the last budget cycle. The administration projects modest growth in the GRF over the next biennium. However, revenues are down as of the end of 2016, which will negatively affect distributions in early 2017.

2) This budget proposes to phase in means-testing of part of the LGF. Starting in 2017, the administration will develop a "capacity-based" mechanism for distributing part of LGF money. A local government's capacity to raise revenue locally will be assessed. If the state determines that the political subdivision has a higher capacity, they will receive less LGF money. If they have a low capacity, they will receive more LGF money. In 2017, 95% of the LGF will be disbursed through the traditional method and only 5% (plus any growth) through this new capacity index. That ratio will grow to 90/10 in 2020. The administration hopes to set it at an 80/20 ratio from there, which would lead into the next administration.

3) The proposal from the Governor would eliminate the additional LGF "municipal distribution" received by those cities and villages that currently have an income tax in place. This agreement was made in the earlier 1970's when then the state of Ohio instituted the first statewide income tax, in direct competition with Ohio cities and villages which had the municipal income tax in place thirty years prior.

4) Certain tax accounting and policy changes are expected to have a modest impact on the LGF. First, is a result of the process in place to use the CAT tax to partially offset losses to local governments due to the phase-out of the tangible personal property tax. The state's obligation in this regard is shrinking and therefore an adjustment is proposed that would lessen that obligation. In turn, that will lessen the amount of money placed in the LGF. According to State Budget Director Tim Keen, the impact on the "LGF and PLF combined" under the Governor's proposed tax and police reforms will result in, "very small losses from the reform package of $1.6 million in FY 2018 and $2.1 million in FY 2019."

5) Townships and very small villages would continue to receive $24 million from the municipal distribution of the LGF, over the biennium. The special distribution was included in the previous state budget and is retained in the Governor's proposal.
PUBLIC SAFETY: DPS is being allotted $725.3 in FY 17 ($19 million from the GRF) and $722.9 ($21 million from the GRF) in FY 18. The administration says $1 billion is being allotted to help fight drug abuse and addiction. Although we're not sure yet about the details of how this money will be spent, in a conversation with The Department of Public Safety (DPS), League staff was informed that this billion dollars is an aggregate of spending across multiple departments. However, DPS will be making funds and other resources available to local communities in the near future. They have promised to keep us informed as these become available.

Interestingly, during testimony before the House Finance Committee yesterday, the Director of DPS John Born was asked multiple questions about whether the Ohio State Highway Patrol should be spending as much time in residential areas as they have been in recent years and whether Patrol Officers have adopted to recommendations made regarding community relations made by a recent state commission report.

TRANSPORTATION: Congress has increased federal contributions by 2%. The administration says it plans to increase transportation and infrastructure dollars 1%. In addition, the state will increase public transit dollars significantly from $23 million in FY 16 to $33 million in FY 17 (more analysis coming). The Ohio Department of Transportation is set to receive $3.3 billion in FY 18, down 2% from FY 17. In FY 19, total funding is slated to be $3.2 billion, down 3.7% from FY 18. The GRF will provide $14.3 million in FY 17 and $15.3 million in FY 18.

Some specific proposals in the transportation budget include:

- Two "smart highway" projects to develop research on transportation, which will use advanced technology to better control traffic flows. This will incorporate many elements, but just a few include: variable speed limit research, testing the concept of using road shoulders to create new lanes (called "Hard Shoulder Running"),
- $45 million allotted for the Transportation Research Center
- $1.5 million to a cooperative project with the U.S. Air Force Research Laboratory and Wright State University to develop a ground-based "sense-and avoid-system" for unmanned aircraft at Springfield-Beckley Municipal Airport in Clark County. This project, with total state and federal investments of $5 million, will empower drone operators, for the first time anywhere in the nation, to fly unmanned aircraft beyond their line of sight.

OTHER BUDGET HIGHLIGHTS:

SALES TAXES: The administration's proposed tax reforms including moving sales tax rate to 6.25 percent from 5.75 percent with a limited base expansion; raising the cigarette tax by 65 cents a pack up to $2.25 a pack; equalizing other tobacco products tax with the cigarette rate; modernizing beer and wine taxes; adjusting the severance tax on large oil and natural gas producers, proposing new fixed rate for crude oil and natural gas of 6.5 percent at the wellhead, and a lower rate of 4.5 percent for natural gas and natural gas liquids taken at later stages of the production process. The proposed sales tax expansion would again include services such as television subscriptions, elective cosmetic surgery, lobbying, landscape design, interior design and decorating, travel package and tours, and repossession services. There are no definitions of these services available as of yet. This budget would also eliminate the Medicaid managed care sales tax and its replacement with a "provider assessment" for Medicaid managed care companies that will be deposited in a non-GRF dedicated purpose fund.

PERSONAL INCOME TAXES: The Governor's proposed budget would implement income tax reform by cutting the number of income brackets from nine to five. The new brackets will be up to $10,000 with a 0.50 percent tax rate in 2017 and 0.456 percent rate in 2018; $10,000 to $25,000 with a 1.5 percent rate in 2017 and 1.367 percent if 2018; $25,000 to $100,000 with a rate of 3.25 percent in 2017 and 2.963 percent in 2018; $100,000 with a rate of 4.25 percent in 2017 and 3.874 percent in 2018; and more than $200,000 with a rate of 4.75 percent in 2017 and 4.33 percent in 2018. If implemented, the Kasich administration said it and other proposed income tax changes would result in a 17 percent income tax cut over FY18-19. The budget also increases the personal exemptions. Those making $40,000 and under will see their exemption go from $2,250 to $3,000. Those with incomes between $40,000 to $80,000 would see their exemption increase from $2,000 to $2,500. Additionally, the low income credit threshold would be increased from $10,000 to $15,000. The Kasich administration said these changes would mean an additional 350,000 low-income Ohioans will pay no income tax.
**K-12 EDUCATION:** The administration's FY18-19 budget will include a $200 million increase in base support for K-12 education. Guarantees will continue to ensure districts don't receive less than in FY17, unless their student population has dropped by more than 5 percent over the past five years. In that case, state aid will be reduced by one percent for each percent beyond that 5 percent threshold, up to a maximum 5 percent loss of funding. The gain cap is proposed to be set at 5 percent, and the transportation formula minimum share would be reduced.

**HIGHER EDUCATION:** The governor's proposed budget includes a freeze on tuition, general fees and special fees for two years. It also will require all public colleges and universities to cover the cost of textbooks for students, but the institutions will be allowed to charge up to $300 to partially offset those costs.

**WEBINAR: WIRELESS TELECOMM. ORDINANCES AFTER SB 331**

The OML and the Ohio Municipal Attorneys Association (OMAA) are cosponsoring a seminar on recent changes to right of way practices and management, as it relates to small cell telecommunications infrastructure deployment issues included in Senate Bill 331, the Petland bill from the last General Assembly. The speaker will be Nicki Hewell from the law firm Bricker and Eckler LLP.

[Click here](#) for more information and [click here](#) for registration.

**LEAGUE SEEKING INPUT ON WIRELESS POLE ATTACHMENT AGREEMENTS**

The League is seeking input from members who would like to assist us in reviewing a model contract for use between municipalities and licensees who are licensed to attach wireless phone equipment to poles in municipal jurisdictions (this includes utility poles as well as other poles like street signs and traffic signals).

During the lame duck portion of the last General Assembly (the November to December 2016 time frame) the League released several bulletins informing members about legislation that would govern the attachment of wireless equipment to municipal structures (Senate Bill 331—we're putting on a webinar on this subject, see below). During that time, certain issues were not addressed because the legislature felt certain issues could be resolved through individual contracts. American Municipal Power Inc., has given us a rough draft of a model contract intended to assist municipalities and their licensees in this process. They have asked us to work with them to create the best final draft possible.

The League would ask that any members who would like to help us review this language please contact us as soon as possible. The current deadline for feedback deadline is March 1, 2017. Please contact League Director of Communication Josh Brown at (614) 284-4394 or jbrown@omlohio.org.

**OML SEEKING APPLICANTS FOR RESIDENTIAL CONSTRUCTION COMMITTEE APPOINTMENT**

The League is seeking applicants for appointment to the Ohio Residential Construction Advisory Committee. Under Ohio statute, the League is responsible for making recommendations for appointments to this Committee. The Committee plays a key role in regulating residential construction in Ohio. [Here](#) is a link to the role and responsibilities of appointees. It is a 9 member committee, with one seat dedicated for a mayor of municipality with a certified building department enforcing the Residential Code of Ohio. The appointment is made by the Director of the Department of Commerce from list of names submitted by OML. We would request that interested applicants submit to us a completed application, a resume, a cover letter, and two letters of recommendation.

* Application attached [HERE](#).

**BOTH CHAMBERS RELEASE COMMITTEE APPOINTMENTS**

Both chambers of the General Assembly have released full committee memberships. The League would urge members to identify what key committees your members are on and contact them with your concerns. The League is always happy to facilitate such communications.
NEW BILLS INTRODUCED THAT AFFECT MUNICIPALITIES

HB 1  PROTECTING DOMESTIC VIOLENCE VICTIMS - To authorize the issuance of dating violence protection orders with respect to conduct directed at a petitioner alleging dating violence, to provide access to domestic violence shelters for victims of dating violence, and to require the Attorney General's victim's bill of rights pamphlet to include a notice that a petitioner alleging dating violence has the right to petition for a civil protection order.

Introduced

Sykes, E Manning, N

HB 3  DATAOHIO BOARD CREATION - To create the DataOhio Board, to specify requirements for posting public records online, to require the Auditor of State to adopt rules regarding a uniform accounting system for public offices, to establish an online catalog of public data at data.Ohio.gov, to establish the Local Government Information Exchange Grant Program, and to make appropriations.

Introduced

Duffey, M Hagan, C

HB 4  COCAINE AMOUNTS DETERMINATION - To provide that in determining the amount of cocaine for trafficking and possession offenses, it also includes a compound, mixture, preparation, or substance containing cocaine, and to declare an emergency.

Introduced

Rogers, J

HB 6  RECORDS PUBLICATION FEES - To prohibit a person who publishes or disseminates criminal record information from soliciting or accepting a fee to remove, correct, modify, or refrain from publishing or otherwise disseminating the information and to provide criminal and civil remedies for a violation of the prohibition.

Introduced

Pelanda, D Gavarone, T

HB 8  PUBLIC RECORDS-MINORS - To exempt from the Public Records Law certain information concerning a minor that is included in a record related to a traffic accident involving a school vehicle in which the minor was an occupant at the time of the accident.

Introduced

Hambley, S Rezabek, J

HB 9  MALFUNCTIONING LIGHTS-BICYCLES - To specify that the alternative protocol for proceeding into an intersection with malfunctioning traffic lights due to a failure of a vehicle detector applies only to bicycles.

Introduced

Koehler, K

HB 18  SPECIAL ELECTION REQUIREMENTS - To eliminate the requirement of holding a special election to fill a vacancy in a party nomination for the office of representative to Congress under certain circumstances.

Introduced

Pelanda, D Retherford, W

HB 19  ARSON OFFENSE DEFINITION - To include recklessly causing, by means of fire or explosion, physical harm to the offender's or another person's motor vehicle, house, building, or other structure, or to any other property of another person, while manufacturing or attempting to manufacture a controlled substance, as a violation of the offense of arson.

Introduced

Blessing III, L Landis, A

HB 26  TRANSPORTATION-PUBLIC SAFETY BUDGET - To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

Introduced

McColley, R
HB 27  WORKERS' COMPENSATION BUDGET - To make changes to the Workers' Compensation Law, to make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of the Bureau's programs.    
Introduced

HB 29  MUNICIPAL WATER RESERVOIR BUFFERS - To eliminate law authorizing the maintenance of buffers around municipal water reservoirs by contiguous property owners.    
Introduced

SB 6  OHIO BRIDGE PARTNERSHIP PROGRAM - To extend the Ohio Bridge Partnership Program through the end of fiscal year 2019 and to require the Director of Transportation to submit a report to the Governor, Senate, and House of Representatives recommending ways to continue to fund the program.    
Referred to Transportation, Commerce and Workforce Committee

SB 13  RECORDING LAW ENFORCEMENT - To grant a person the right to lawfully record any incident involving a law enforcement officer and to impose civil liability upon the state or a local law enforcement agency if a law enforcement officer employed by the state or local law enforcement agency interferes with the recording of the incident, destroys the recording, seizes the recording without a warrant or subpoena or the person's consent, or retaliates against the person who recorded the incident.   
Referred to Local Government, Public Safety and Veterans Affairs Committee

SB 17  LOCAL GOVERNMENT FUND ALLOCATION - To increase monthly allocations to the Local Government Fund from 1.66% to 3.68% of the total tax revenue credited to the General Revenue Fund each month.   
Referred to Finance Committee

SCR 2  MUNICIPAL IDENTIFICATION CARDS - To urge municipal corporations throughout the state to adopt a Municipal Identification Card Program.   
Referred to Local Government, Public Safety and Veterans Affairs Committee

UPCOMING COMMITTEE SCHEDULE

Tuesday, February 7, 2017

HOUSE FINANCE
Tue., Feb. 7, 2017, 9:00 AM, Hearing Room 313
Rep. Smith: 614-466-1366

- Administration testimony on education provisions of biennial budget.

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Tue., Feb. 7, 2017, 1:00 PM, Hearing Room 313
OR AFTER HOUSE FINANCE COMMITTEE

- Testimony from Department of Transportation and Turnpike Commission, as well as public testimony.
• HB26 - TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

First Hearing, All Testimony, PENDING REFERRAL

Wednesday, February 8, 2017

HOUSE FINANCE
Wed., Feb. 8, 2017, 9:00 AM, Hearing Room 313
Rep. Smith: 614-466-1366

• Administration testimony on Medicaid provisions of biennial budget.

HOUSE RULES AND REFERENCE
Wed., Feb. 8, 2017, 9:00 AM, Hearing Room 119

SENATE WAYS AND MEANS
Wed., Feb. 8, 2017, 9:00 AM, South Hearing Room
Sen. Eklund: 614-644-7718

• SB22-INCORPORATING FEDERAL REVENUE CHANGES (PETERSON B) To expressly incorporate changes in the Internal Revenue Code since February 14, 2016, into Ohio law.

First Hearing, Sponsor/All Testimony, POSSIBLE VOTE

SENATE RULES AND REFERENCE COMMITTEE
Wed., Feb. 8, 2017, 11:00 AM, Senate Majority Conference Room
Sen. Obhof: 614-466-7505

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Wed., Feb. 8, 2017, 1:00 PM, Hearing Room 313
OR AFTER HOUSE FINANCE COMMITTEE

• Testimony from Department of Public Safety, as well as public testimony.
• HB26-TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

Second Hearing, All Testimony

HOUSE WAYS AND MEANS
Wed., Feb. 8, 2017, 1:00 PM, Hearing Room 121
Rep. Schaffer: 614-466-8100

• Department of Taxation also will testify on HB11.
• HB11-INCORPORATING FEDERAL REVENUE CHANGES (SCHERER G) To expressly incorporate changes in the Internal Revenue Code since February 14, 2016, into Ohio law.

First Hearing, Sponsor Testimony
OHIO SENATE
Wed., Feb. 8, 2017, 1:30 PM, Senate Chambers

Thursday, February 9, 2017

HOUSE FINANCE
Thu., Feb. 9, 2017, 9:00 AM, Hearing Room 313
Rep. Smith: 614-466-1366

- Administration testimony on tax provisions of biennial budget.

CRIMINAL JUSTICE RECODIFICATION COMMITTEE
Thu., Feb. 9, 2017, 1:00 PM, Senate Finance Hearing Room

- On the agenda: staff employment matters; consideration of committee amendments; outstanding business.

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE
Thu., Feb. 9, 2017, 1:00 PM, Hearing Room 313
OR AFTER HOUSE FINANCE COMMITTEE

- Testimony from Development Services Agency and Public Works Commission, as well as public testimony.
- HB26-TRANSPORTATION-PUBLIC SAFETY BUDGET (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs.

Third Hearing, All Testimony
Today, Gov. Kasich has unveiled his proposed budget for his final two years in office and although the actual language being proposed that would alter the Ohio Revised Code has not been released for public review, general concepts were shared and include a significant point of concern for Ohio municipalities.

In the information released, Governor Kasich has included a proposal to have all municipal business tax filings and payments made centrally through the state's Ohio Business Gateway (OBG) system. The Department of Tax would then be engaged to administer the filing process, audit returns when appropriate and distribute tax receipts to the intended municipality, with a 1% fee applied for "administrative services."

Attached HERE is a "fact sheet" from the administration providing some detail to what is being offered. The league anticipates the actual legislative language will be available later this week and we will provide that information to our members when it becomes available.

Additionally, we have had conversations (but no information has been released) surrounding a proposal to alter the distribution method of the LGF. The league will get that information to our members as soon as it becomes available. Generally, the proposal is related to a more "needs-based" approach to a percentage of the total distribution amounts and other changes that may impact that amount of support municipalities receive through the LGF.

As our members will remember, the first step in the state budget process is for the Governor to present his (or her) blueprint of priorities for the next two year state spending plan to the Ohio House of Representatives. Over the next several months, members of the Ohio House Finance committee will study the issues presented in the Governor's plan and make their changes to areas that reflect the priorities of their members before sending it to the Ohio Senate, where the review process starts over with committee and subcommittee reviews. The package is altered by the Senate, sent back to the House for their consideration and then back to the Governor where the final package is ultimately adopted.

Now is the time to reach out to your members of the Ohio House of Representatives and share with them your concerns regarding what a centralized collection system for business filers could mean for your current revenue levels by removing your communities' ability to audit and enforcement the proper completion and payment of tax obligations due to your municipality.

We have provided a list of all members of the Ohio House of Representatives and their contact information HERE, which our members can use to help them contact their state representative.

Please watch for Friday's Legislative Bulletin which will have further details on what is being considered for the next state operating budget.
FCC SEEKS COMMENTS OF RIGHT OF WAY/SMALL CELL INFRASTRUCTURE ISSUE & MOBILITIE PETITION FOR DECLARATORY RULING

This week, we sent a “Special Bulletin” to members alerting them of action taken late last year by the Federal Communications Commission (FCC) and a petition for Declaratory Ruling by the telecommunications company Mobilitie. The special bulletin, which can be accessed HERE, addresses concerns that surround these actions as it relates to the ability of municipalities to exercise local control and authority over the siting of wireless infrastructure.

OML has been participating in discussions with our federal advocates from the National League of Cities and other members of leadership from state municipal leagues to identify points of concern with the current action as both NLC and municipal leagues prepare information for the FCC request. NLC is developing a template for municipal officials to consider using as they prepare their own comments for the commission, on this matter. OML will forward the template and any additional information related to this topic to our members when it becomes available.

STATE OPERATING & TRANSPORTATION BUDGETS BEGIN COMMITTEE PROCESS

In anticipation of Governor Kasich releasing his state budget plans next week, hearings on the main state operating budget have been scheduled in the House Finance Committee Wednesday, Feb. 1 at 1 p.m. Testimony from both Office of Budget and Management (OBM) Director Tim Keen and the Legislative Service Commission (LSC) is expected to be the central focus of the meeting.

On Thursday, Feb. 2, the committee will hear testimony on the state transportation budget. That hearing begins at 8:30 a.m. and will include presentations by ODOT Director Wray, Public Safety Director Born and Ohio Turnpike Commission Director Cole.

The House Finance Committee meets in room #313 of the Ohio Statehouse and the proceedings can be viewed on the Ohio Channel website www.ohiochannel.org.

STATE AUDITOR’S REPORT VALIDATES CLAIMS OF FISCAL PAIN


The report measures 17 “financial health indicators” for 247 cities and all 88 Ohio counties and is intended to create a picture that will help viewers understand the financial health of Ohio’s cities and counties. Each jurisdiction has a color-status assigned to it within each of the 17 indicators. The colors are assigned based on whether the jurisdiction has crossed certain thresholds set by the Auditor. The statuses are: green for “positive outlook,” yellow for a “cautionary outlook,” and red for a “critical outlook.” The report places all the indicators and cities on one “heat map.”
Many officials and reports have noted that a large number of jurisdictions with critical outlooks in categories such as: investment in capital assets and infrastructure, spending/revenue ratios, declining property tax revenues, and declining year-end balances in general funds.

Auditor Dave Yost’s analysis further validates the assertions made by the League for several years now—that many local governments are struggling with state financial cutbacks. The report comes out just days before Ohio Governor John Kasich is expected to release the Governor’s proposed biennium budget and will be a tool league staff can use to help identify financial needs and challenges of cities and villages with state policymakers as important budgetary priorities are being identified.

**OHIO AG SCHEDULES MEETING TO ADDRESS DRUG EPIDEMIC**

Ohio Attorney General Mike DeWine will be holding an emergency meeting to discuss methods being used to combat the drug problem in Ohio. This is his second such meeting and will include people from law enforcement, public safety, and other important areas. The meeting will highlight programs that work and develop new ideas. The League would like to encourage members to attend so that the views of local governments officials will be well represented.

**When:** Tuesday February 14, 2017  
**Where:** Fellowship Baptist Church 4701 Winchester Pike Columbus, OH 43232  
**More Information:** [http://www.ohioattorneygeneral.gov/OpiateCrisis](http://www.ohioattorneygeneral.gov/OpiateCrisis)

**LAST CALL FOR EARLY BIRD REGISTRATION DEADLINE FOR NLC CONGRESSIONAL CITY CONFERENCE**

We want to remind our members of the upcoming National League of Cities (NLC) Congressional City Conference being held in Washington D.C. March 11-15. With a new President, Congress and various issues that often challenge the administration of Ohio cities and villages from the Federal government, this year it’s more important than ever to make your voice heard on behalf of your community.

We want to especially remind our members that the deadline is rapidly closing in for those eager to take advantage of the early bird registration for the conference. Those who register before January 31 will receive a discounted registration fee.

OML highly recommends attending the Congressional City Conference. Attendees will hear from lead policy makers and the foremost minds on the issues facing our nation as we venture into a new Administration. The workshops and sessions will provide insight into the latest federal regulations, infrastructure, public safety and community resilience strategies, as well as new funding opportunities and best practices. You’ll also have the chance to meet with your congressional delegation on Capitol Hill. The conference is designed to equip you to emerge a stronger, more informed advocate for your city.

Click [HERE](http://www.ohioattorneygeneral.gov/OpiateCrisis) to register. We’ll see you there!

**ODE CUTS FUNDING FOR AFTERSCHOOL PROGRAMS IN LOCAL COMMUNITIES**

Last week, OML learned from our affiliates at the Ohio Afterschool Network that the Ohio Department of Education has announced they will not be allocating funding for new 21st Century Community Learning Center grants in fiscal year 2018. 21st Century Community Learning Center (CCLC) programs are grant-funded after-school programs that currently serve 43,205 students in 419 local communities across Ohio. After approximately half of the currently-funded expire at the end of June, over 20,000 students will be denied access to high quality, academically-focused Afterschool programs. Over 250 school districts dependent upon 21st CCLC programs for teacher support will find themselves without it. An estimated 1,200 jobs will be lost, as 21stCCLC employees and those who work in non-profits on behalf of their communities will become suddenly unemployed.

These cuts come at a time when Ohio is dramatically underserving the increasing demand for Afterschool programs. 846,248 Ohio students say they would participate in an afterschool program were one available. Last year alone,
of the more than 200 applications to 21st CCLC grants, only 26 were funded. That’s only 13% of Afterschool programs who want to serve their local communities but don’t have access to the requisite funds.

It’s difficult to overstate the vital role Afterschool programs play in creating a vibrant, healthy community. Studies show participation in Afterschool programs means increased student achievement - both academic and social/emotional - crime, drug and pregnancy prevention, and workforce preparation. Every dollar invested in high-quality afterschool programs saves taxpayers between $3 and $8 dollars, if crime reduction is factored into the estimates.

There are few better ways to invest in your community than through Afterschool programs. OML and OAN are asking that you take action. You can:

- Reach out to your school superintendent and ensure they are aware of the issue and the impact it will have on your community.
- Reach out to your legislators. Several members in the General Assembly have heard the concerns of their communities and are reaching out to ODE’s legislative representative about the issue.
- Add your name to OAN’s letter to ODE Superintendent DePaolo asking for a reversal of the decision HERE.

REDESIGNED ELECTRONIC VERSION OF CITIES AND VILLAGES MAGAZINE GOING ONLINE

The League has begun the process of transitioning our bi-monthly Cities & Villages Magazine to an electronic platform and have posted the redesigned November/December 2016 issue on our website. In the very near future, we will publish a limited number of hard copies of the magazine for those who request it and for distribution to municipal buildings. Individuals who had previously received the hard copy version of the magazine will receive the new version electronically via email. This move will help modernize our outreach and communication efforts, making the magazine more accessible, and providing added value for our members. League members can make sure that they receive the electronic version in their email inbox by subscribing via text @ OMLOHIO to 22828, through our Facebook Page by accessing the “Join My List” icon or through the OML website front page by going through the “Join the OML Legislative Bulletin” link. Or you can simply email the League offices to indicate you want on the email list. If members are currently receiving our Legislative Bulletins than we have your address and will send the magazine to you electronically.

As a reminder concerning the construction of our new website, CivicPlus is projecting the new site will be launched in the Spring. The League is excited to have the new communication and access tool for our members up and running and look forward to providing a higher degree of services for Ohio’s municipal officials.

UPCOMING GRANT WRITING WORKSHOP

Grant Writing USA is presenting a two day Grant Writing Workshop in partnership with the Dayton and Montgomery Public Health Department on March 23-24, 2017. This workshop will cover how to write grant proposals start to finish and how to locate and track relevant grant opportunities. This training is not law enforcement specific, it is appropriate for all city, county and state offices as well as area educators and non-profits.

For more information contact:
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January 24, 2017

IMMEDIATE ACTION REQUESTED:
FCC THREATENS TO LIMIT LOCAL LAND USE AUTHORITY ON WIRELESS SITING

The league is requesting that our members give immediate attention to a survey from the National League of Cities (NLC) regarding an important pending FCC wireless notice.

Late last month, the Federal Communications Commission (FCC) issued a public notice (click link to read notice) seeking comment on two topics that could shape the future of city control over their rights-of-way.

The FCC's Wireless Bureau first requested public comment on how to streamline the deployment of small wireless facilities, primarily through potential changes to local land-use ordinances.

They have also requested comment generally on a petition filed by infrastructure company Mobilitie (click link to read petition) regarding local government rules and procedures. Mobilitie has filed a Petition for Declaratory Ruling with the FCC's Wireless Telecommunications Bureau requesting an interpretation of Section 253(C) of the Communications Act of 1934 that would substantially limit cities' authority over public rights of way and ability to assess fees for access.

Specifically, the petition calls on the FCC to:

- Require cities to disclose to requesting providers all fees they have charged all other infrastructure providers for access to rights of way
- Require cities to charge all carriers the same fees
- Define "fair and reasonable compensation" as stated in Section 235(C) as the only amount that allows cities to recoup the costs related to reviewing and issuing permits and managing the rights of way, and specifically prohibiting any additional charges or revenue-based fees.

This petition obviously represents both a serious preemption of local governments as well as a serious blow to many cities' ability to appropriately manage revenues as communications traffic increasingly shifts to broadband instead of traditional wireline phone or cable service.

This public notice raises several major concerns for cities. The first is that the FCC wishes to use this proceeding to reexamine the facts of the decisions made in its 2009 and 2014 rule makings on local wireless facilities siting, questioning whether the evidence presented by local governments during those proceedings is still valid. Specifically, the notice questions the amount of time needed by local governments to process wireless siting applications for small-cell facilities, particularly when submitted in large quantities. The notice requests feedback on streamlining local regulations when similar applications are submitted as batches. The notice also questions the amount and structure of fees charged by local governments for applications and access to rights-of-way.

The National League of Cities successfully filed a joint motion for an extension (click link to read joint motion) of the comment period. The revised comment deadline is now March 8, 2017, with a reply comment deadline of April 7, 2017.

NLC will comment on this notice, in collaboration with other local government groups and state municipal leagues, and is calling on cities nationwide to help craft our response.

The survey deadline is Friday, January 27. Click HERE to access the survey.
OML will separately provide our members with the comment template when it becomes available.
We appreciate our member's attention to this very important matter.
Although the 132nd General Assembly officially began its two-year session two weeks ago, the legislature was largely inactive this week, as many legislators and state officials headed to Washington D.C. for the inauguration of the 45th U.S. President. With this temporary lull in legislative activity, the league staff has continued their schedule of meetings with members of the House, Senate and state agency officials to outline legislative priorities of municipalities and to learn of legislative proposals being considered that could affect cities and villages. We have had encouraging feedback in our conversations with new and returning members of the legislature to our message of increasing support for cities and villages and the need for a renewed partnership and spirit of cooperation between the state and its municipal partners.

**LEGISLATIVE POLICY STATEMENT/STRATEGIC FRAMEWORK REPORT MAILING**

OML has begun mailing our members the long-anticipated Strategic Framework, along with our newly-revised public policy agenda for the upcoming 132nd General Assembly.

The Strategic Framework is the final result of a months-long collaboration with former Voinovich administration Budget Director Dr. Gregory R Browning of Capital Partners. Dr. Browning’s extensive research provides a clear and striking examination of the current state of Ohio's municipalities and presents a comprehensive view of the challenges municipalities face in areas such as transportation, infrastructure and the ongoing opiate epidemic. Additionally, it outlines the reforming of a strong partnership between the State and its municipalities, initiating a reinvestment by the State into our local communities as the economic engines that drive the State towards success. The new public policy agenda frames the values of our members within four main driving initiatives: creating jobs, protecting our citizens, investing in public infrastructure and clean water, and advancing good government and fiscal responsibility. This agenda will direct OML’s legislative advocacy, guide the state-local partnership and gauge progress.

We hope you use these publications as tools to educate your communities and civic groups on the priorities of Ohio's municipalities. We have created them to be the foundation upon which we will build a stronger and effective league, better equipping us in our advocacy efforts in the Legislature and in our role as a resource for you, our members and local communities. If for some reason you do not receive a copy, please contact us so we can send it to you.

**PLYWOOD-BOARDING PROVISIONS OF EXPEDITED FORECLOSURE BILL SOON TO GO INTO EFFECT**

On January 4, 2016 the Governor signed House Bill 463, introduced by Jonathan Dever (R-Madeira), which created an expedited process for mortgagors doing foreclosures on vacant and abandoned properties. A late amendment was added which prohibits the use of plywood to secure real property that a court has deemed "vacant and abandoned." The provision will go into effect April 4, 2017.

This is the first statewide ban on mortgage lenders using plywood to board up vacant structures. Lenders will be required to use alternative boarding materials, such as glass-like poly carbonate. Some local officials believe this will help disguise the spread of abandonment and blight. Clear boards may also allow police to see into the property to ensure there are no intruders.
The provisions are still being reviewed by some city officials to determine how it will impact their communities. Unfortunately, such materials can increase the costs of boarding. A sheet of plywood runs about $20, while a 48-by-96 inch Secure View window cover runs about $115 per sheet. A Secure View security door costs about $395.

Some municipal attorneys have opined the new law only applies to mortgage foreclosure situations and not to a municipality that is acting under local ordinances to abate nuisances, condemn properties, or secure a property for health and safety reasons. We recommend municipal officials consult with their municipal legal counsel as to the application of this provision.

WATER INFRASTRUCTURE REPORT RELEASED

Earlier this week, the Greater Ohio Policy Center (GOPC) released a report entitled "Strengthening Ohio's Water Infrastructure: Financing and Policy." The report takes a critical examination of how Ohio policymakers can promote new ways of doing business in the water utility sector that can increase long-term financial sustainability. Water and sewer utilities are faced with the need to invest billions of dollars to modernize infrastructure installed decades ago, and the fiscal realities of many political subdivisions cannot afford to contribute to the investment. The report identifies that Ohio has some of the largest revolving loan programs in the nation through the Ohio EPA and the Ohio Water Development Authority, it's not as straightforward as it seems. In order to access multiple state and federal funding sources, local utilities must navigate through a complicated web of different applications, funding criteria, and timelines. This confusing and time-consuming process significantly complicates the management of water and sewer utility -a critical component of a successful community.

Over the summer, league staff attended a presentation of the information by compiled by GOPC and we look forward to coordinating our advocacy efforts with the Ohio General Assembly to find solutions to these and other issues important to Ohio cities and villages.

The report can be accessed here:  

U.S. EPA LAUNCHES NEW PROGRAM WITH $1 BILLION IN LOANS AVAILABLE FOR WATER INFRASTRUCTURE PROJECTS

The League would like to notify members that last week the U.S. Environmental Protection Agency (EPA) announced the availability of nearly $1 billion in credit assistance for water infrastructure projects under the Water Infrastructure and Innovation Act (WIFIA) program. The program is available to local governments for such projects as: drinking water treatment and distribution, wastewater conveyance and treatment projects, enhanced energy efficiency projects, desalination, aquifer recharge, alternative water supply, water recycling projects, and drought prevention projects.

For more information, visit www.epa.gov/wifia.

OML/OMAA HOSTS WEBINAR ON JEDDS LAW-LEGAL UPDATES & CASE STUDIES

On January 25, 2017, the League, along with the Ohio Municipal Attorneys Association (OMAA) will be hosting a webinar presenting a general discussion on Joint Economic Development Districts (JEDDs), plus a discussion of recent changes to the law, and examples of how communities have successfully used JEDDs. The presenters will be attorneys from the law firm Bricker and Eckler, Christiane W. Schmenk (more information here http://www.bricker.com/people/christiane-schmenk ) and Robert F. McCarthy (more information here http://www.bricker.com/people/robert-mccarthy ) both of whom have extensive experience in public economic development in Ohio.

Complimentary copies of the power point slides will be sent to Registrants.

COST: $100 per registrant.
REGISTRATION FORM
Each session is limited to 30 registrants. However, registrants are encouraged to set up for the webinar in a conference room, with a speaker phone and computer screen, and to invite other city officials to attend. Registrants are encouraged to notify Cyndie (614.221.4349) of the number of participants attending the webinar (for our records).

NEW HOUSE COMMITTEE CHAIRS ANNOUNCED

Late last week Ohio Speaker of the House Cliff Rosenberger (R-Clarksville) announced his appointed Chairpersons of the House's various committees. The full membership of these committees will be announced at a later date. The committee chairs are as follows:

**Agriculture & Rural Development**
Chair: Rep. Brian Hill (R-Zanesville)
Vice chair: Rep. Kyle Koehler (R-Springfield)

**Armed Services, Veterans Affairs and Homeland Security**
Chair: Rep. Terry Johnson (R-McDermott)
Vice chair: Rep. Laura Lanese (R-Grove City)

**Aging and Long Term Care**
Chair: Rep. Steven Arndt (R-Port Clinton)
Vice chair: Rep. Dorothy Pelanda (R-Marysville)

**Civil Justice**
Chair: Rep. Jim Butler (R-Oakwood)
Vice chair: Rep. Jim Hughes (R-Upper Arlington)

**Community & Family Advancement**
Chair: Rep. Tim Ginter (R-Salem)
Vice chair: Rep. Margy Conditt (R-Liberty Township)

**Community & Family Advancement Subcommittee**
Minority Affairs: Chair to be determined

**Criminal Justice**
Chair: Rep. Nathan Manning (R-North Ridgeville)
Vice chair: Rep. Jeff Rezabek (R-Clayton)

**Economic Development, Commerce & Labor**
Chair: Rep. Ron Young (R-Leroy Township)
Vice chair: Rep. Anthony DeVitis (R-Green)

**Education & Career Readiness**
Chair: Rep. Andrew Brenner (R-Powell)
Vice chair: Rep. Marilyn Slaby (R-Copley)

**Energy & Natural Resources**
Chair: Rep. Al Landis (R-Dover)
Vice chair: Rep. Christina Hagan (R-Alliance)

**Federalism & Interstate Relations**
Chair: Rep. Kristina Roegner (R-Hudson)
Vice chair: Rep. Scott Lipps (R-Franklin)

**Finance**
Chair: Rep. Ryan Smith (R-Bidwell)
Vice chair: Rep. Scott Ryan (R-Granville Township)

**Federalism & Interstate Relations**
Agriculture, Development and Natural Resources (Chair: Rep. Andy Thompson, R-Marietta)
Health and Human Services (Chair: Rep. Mark Romanchuk, R-Mansfield)
Higher Education (Chair: Rep. Rick Perales, R-Beavercreek)
Transportation (Chair: Rep. Rob McColley, R-Napoleon)
Primary and Secondary Education (Chair: Rep. Bob Cupp, R-Lima)
State Government & Agency Review (Chair: Rep. Keith Faber, R-Celina)

**Financial Institutions, Housing and Urban Development**
Chair: Rep. Jonathan Dever (R-Madeira)
Vice chair: Rep. Robert Sprague (R-Findlay)

**Government Accountability & Oversight**
Chair: Rep. Bill Blessing (R-Colerain Township)
Vice chair: Rep. Bill Reineke (R-Tiffin)

**Health**
Chair: Rep. Steve Huffman (R-Tipp City)
Vice chair: Rep. Theresa Gavarone (R-Bowling Green)

**Higher Education & Workforce Development**
Chair: Rep. Mike Duffey (R-Worthington)
Vice chair: Rep. Niraj Antani (R-Miamisburg)

**Insurance**
Chair: Rep. Tom Brinkman (R-Mt. Lookout)
Vice chair: Rep. Mike Henne (R-Clayton)

Public Utilities
Chair: Rep. Bill Seitz (R-Cincinnati)
Vice chair: Rep. Rick Carfagna (R-Genoa Township)

Rules & Reference
Chair: Speaker Clifford A. Rosenberger (R-Clarksville)
Vice chair: Rep. Kirk Schuring (R-Canton)

State & Local Government
Chair: Rep. Marlene Anielski (R-Walton Hills)
Vice chair: Rep. Stephen Hambley (R-Brunswick)

Transportation & Public Safety
Chair: Rep. Doug Green (R-Mt. Orab)
Vice chair: Rep. Dave Greenspan (R-Westlake)

Ways & Means
Chair: Rep. Tim Schaffer (R-Lancaster)
Vice chair: Rep. Gary Scherer (R-Circleville)

Full committee assignments will be released next week for the new session. We will be sure to alert our members of the new committee make-up and which committees your member of the legislature will be serving on.
January 9, 2017

OPENING DAY AT THE 132ND GENERAL ASSEMBLY

Last Tuesday saw the swearing in opening ceremonies of the 132nd General Assembly. Some interesting facts about this new legislative body are:

- Fifteen members are brand new to Capitol Square and the Legislative branch.
- Three members were sworn in after having been appointed last fall.
- Four members of the House are coming across the street after serving in the Senate.
- One new House member is a former House Speaker.
- There are approximately 38 members with municipal experience.
- There are 66 Republicans and 33 Democrats in the House.
- There are 24 Republicans and 9 Democrats in the Senate.

The League would like to congratulate all of the returning members and newly elected legislators who will begin their new chapter in public service. During the course of the next few months, league staff will be meeting with new and returning members of the Ohio General Assembly to review areas where municipalities and the state can work better together to provide greater stability for our statewide economic engines that are Ohio’s municipalities.

Below is the list of leadership teams selected by their respective caucuses to guide the legislative activity of the new General Assembly.

The House Leadership team includes:
Speaker of the House: Cliff Rosenberger (R-Clarksville)
Speaker Pro Tempore: Kirk Schuring (R-Canton)
Majority Floor Leader: Dorothy Pelanda (R-Marysville)
Ass. Majority Floor Leader: Sarah LaTourette (R-Chesterland)
Majority Whip: Tom Patton (R-Stongsville)
Ass. Majority Whip: Robert McColley (R-Napoleon)
Minority Leader: Fred W. Strahorn (D-Dayton)
Ass. Minority Leader: Nicholas J. Celebrezze (D-Parma)
Minority Whip: Nickie J. Antonio (D-Lakewood)
Ass. Minority Whip: Emilia Strong Sykes (D-Akron)

The Senate Leadership team includes:
Senate President: Larry Obhoff (R-Medina)
President Pro Tempore: Bob Peterson (R-Sabina)
Majority Floor Leader: Randy Gardner (R-Bowling Green)
Majority Whip: Gayle L. Manning (R-North Ridgeville)
Minority Leader: Joe Schiavoni (D-Boardman)
Ass. Minority Leader: Charleta B. Tavares (D-Bexley)
Minority Whip: Edna Brown (D-Toledo)
Ass. Minority Whip: Cecil Thomas (D-Cincinnati)
The league would like to congratulate each of these legislators on their selection by their fellow members to lead and we look forward to working with all of them in the new session.

Legislative activity for the first six months of the year will be consumed by deliberations and committee activity related to Governor Kasich's final state operating budget proposal. The Governor is expected to present this plan for the '17-'18 budget and the priorities of the final two years of the governor's term by January 31, to the Ohio House of Representatives.

Although bills will begin to be introduced, the central priority of the members of the legislature is to get situated in their new offices and chart the course forward with their colleagues.

**REPORT ISSUED ABOUT LOSSES TO MUNICIPALITIES**

Ohio could improve the quality of life in communities and boost statewide competitiveness by restoring funding for local services, according to a new issue brief from research institute Policy Matters Ohio. The report estimates that Ohio local governments have lost over $1 billion since 2010.

Among other things, the report highlights recommendations to restore Ohio communities, such as boosting the Local Government Fund and increasing the motor fuel tax for use by local governments, as other states have. Ohio's motor fuel tax is much lower than neighboring states. Another important issue addressed in the report discusses that the necessary adjustment to Medicaid managed care services in the sales tax base should not harm local governments that piggyback the state sales tax.

OML members can access the report [HERE](#).

**STATEHOUSE COMMITTEE HEARINGS TO BEGIN LATER IN THE MONTH**

As activity picks up at the Ohio Statehouse, we will resume our regular schedule of weekly Legislative Bulletins to keep our members and friends informed on issues important to Ohio's cities and villages.